

28th July 2022

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To,
BSE Limited, (Security Code: 532720)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd., (Symbol: M&MFIN)
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sir/Madam,

Sub: Earnings Presentation for the first quarter ended 30th June 2022 - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations")

Ref: Our letter dated 21st July 2022 intimating about earnings conference meet on the Unaudited Financial Results for the first quarter ended 30th June 2022.

In compliance with Regulation 30, Schedule III, Part A, Para A(15) and other applicable provisions of the Listing Regulations, please find enclosed herewith an Earnings Presentation, to be made at Investor/ Analyst meet scheduled today i.e., Thursday 28th July 2022 at 6.30 p.m. (IST) encompassing, inter-alia, summary of the Unaudited Standalone and Consolidated Financial Results of the Company for the first quarter ended 30th June 2022, highlights of the quarter and other updates.

The enclosed earnings presentation is also being uploaded on the Company's website viz. <https://www.mahindrafinance.com/investor-zone/>

Kindly take the same on record.

Thanking you,

For Mahindra & Mahindra Financial Services Limited



Brijbala Batwal
Company Secretary & Compliance Officer

Enclosure: as above

Mahindra & Mahindra Financial Services Limited

Quarter Result Update
June - 2022

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CIN - L65921MH1991PLC059642

Executive summary (1/2)

Financial Performance

- Revenue at ₹ 2,499 crore for the quarter, an increase of 14% YoY resulting in PAT of ₹ 223 crores
- NIMs healthy at 8.2%; impact of increase in borrowing cost may reflect in subsequent quarters
- PPOP at ₹ 946 crores increased by 26%
- Overheads at 3.2% (Q4FY22 – 3.4%); Investment towards talent, collection and technology continues

Growth Drivers

- Disbursement of ₹ 9,472 crore for the quarter, growth of 145% YoY on a lower base
- Loan Assets* at ₹ 67,693 crore; YoY growth of 6.5%; Sequential growth of 4.2%
- Continued with No. 1 market share position in Tractor and Mahindra Utility Vehicle segment

Executive summary (2/2)

Asset Quality

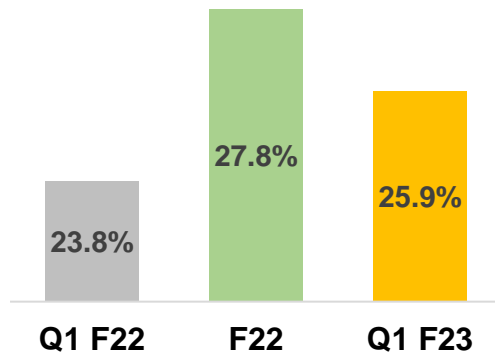
- Marginal increase in GS3 in the first quarter (GS-3 at 8.0% vs. 7.7% from Mar - 22)
- Despite seasonal volatility, able to limit increase through focused collection efforts including timely repossessions
- PCR maintained @ 58.1% in Jun-22; Continued with 100% provision coverage on 18+ ageing contracts
- Collection Efficiency at 94% for the quarter – at a historical highest during the first quarter
- Initiated focused efforts to contain NPAs based on IRACP norms scheduled to be effective from Oct 2022

Capital Management

- Capital Adequacy strong at 25.9%
- Liquidity chest equivalent to 3 months maintained across the quarter

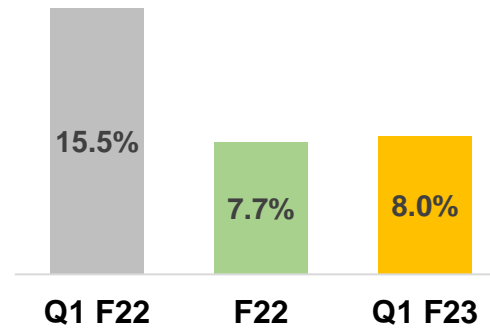
Business strength

Capital Adequacy



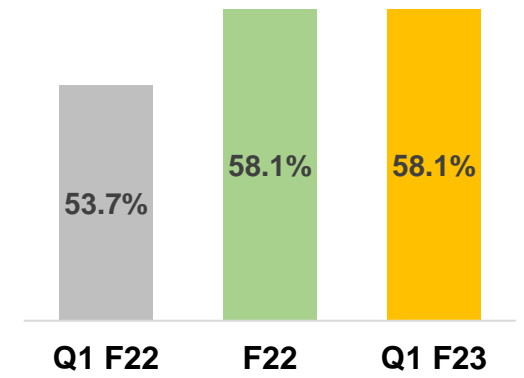
Well capitalized

Gross Stage-3



Asset Quality under control

Stage 3 - Coverage Ratio



Prudent

Break down of Disbursements

on standalone basis

Asset Class	Year ended June – 22	Year ended June – 21	Year ended March – 22
Auto/ Utility vehicles	33%	36%	34%
Tractors	13%	25%	16%
Cars	18%	20%	19%
Commercial vehicles and Construction equipments	12%	4%	8%
Pre-owned vehicles	16%	12%	18%
SME and Others	8%	3%	5%

Historical Disbursements (INR crores)	Q1	Q2	Q3	Q4	FY/ YTD
FY 2023	9,472	-	-	-	9,472
FY 2022	3,872	6,475	8,032	9,202	27,581
FY 2021	2,733	4,028	6,270	5,970	19,001

Break down of Business Assets

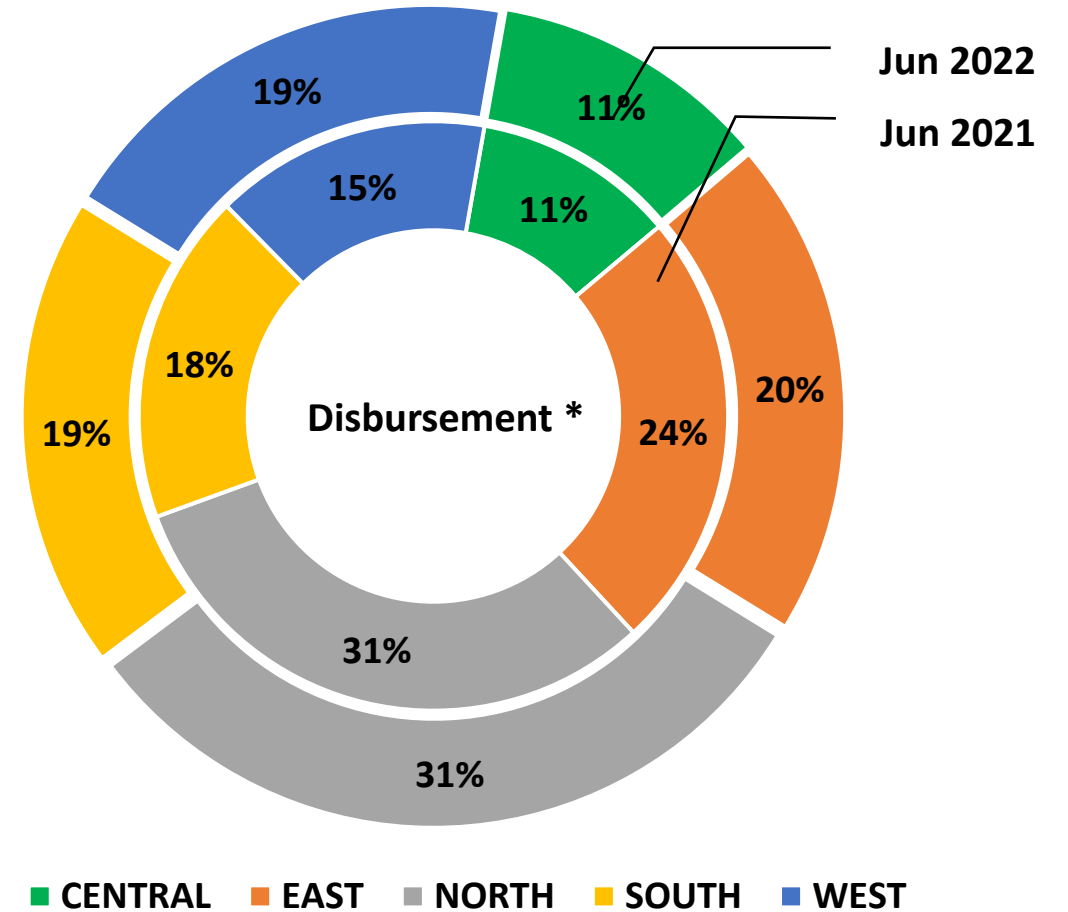
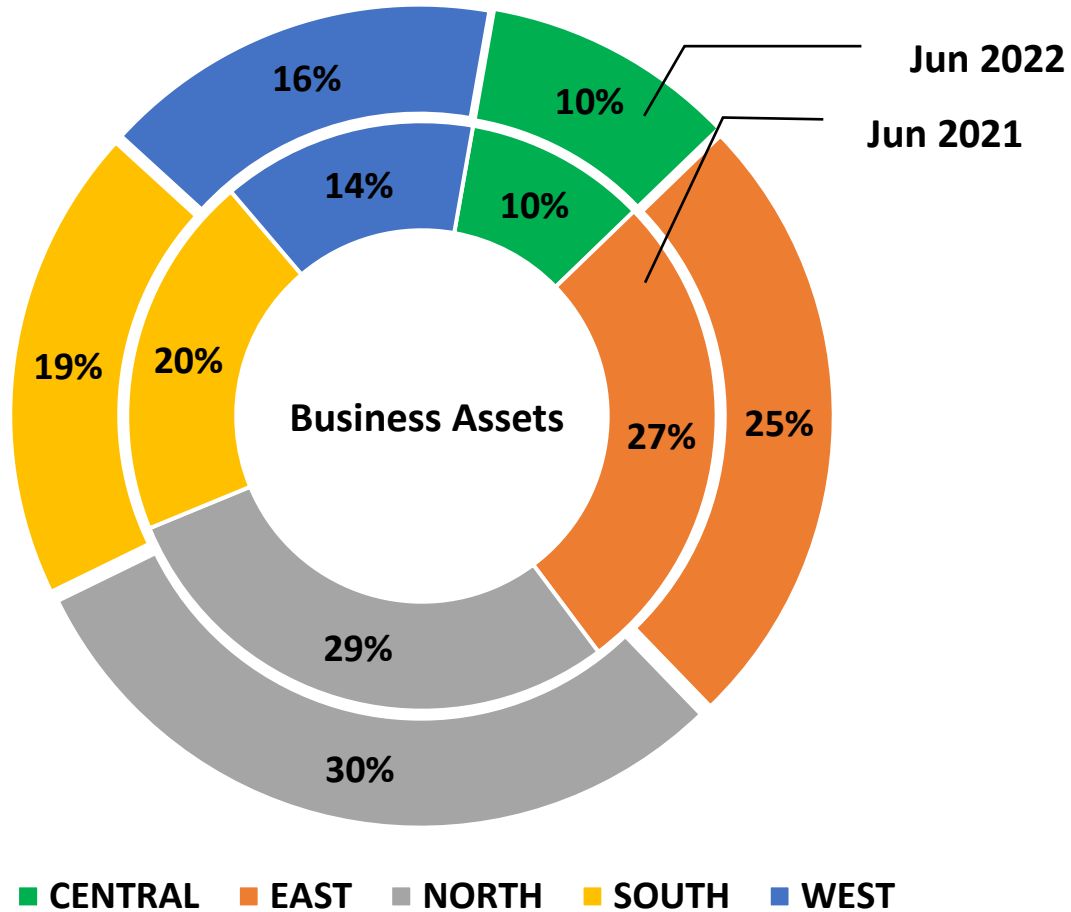
on standalone basis

Asset Class	Year ended June – 22	Year ended June – 21	Year ended March – 22
Auto/ Utility vehicles	32%	29%	32%
Tractors	15%	17%	16%
Cars	21%	21%	22%
Commercial vehicles and Construction equipments	12%	14%	12%
Pre-owned vehicles	11%	12%	11%
SME and Others	9%	7%	7%
Contribution of M&M assets in AUM	45%	44%	46%

* Share of SME: 4%

Break down by Geography

on standalone basis



NORTH: Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand;

EAST: Arunachal Pradesh, Assam, Bihar, Jharkhand, Meghalaya, Mizoram, Orissa, Sikkim, Tripura, West Bengal;

CENTRAL: Chhattisgarh, Madhya Pradesh;

WEST: Dadra and Nagar Haveli, Gujarat, Maharashtra, Goa;

SOUTH: Andaman and Nicobar Island, Andhra Pradesh, Karnataka, Kerala, Pondicherry, Tamil Nadu, Telangana;

* Prepared on Finance Amount

Broad Based Liability Mix

on standalone basis

All figures in INR crores

Funding Mix by Investor Category

Investor Type	Jun'22		Mar'22
	Amount	% Share	% Share
Banks / Dev. Institutions	30,882	52.1%	48.4%
Mutual Funds	5,536	9.3%	9.1%
Insurance & Pension Funds	9,930	16.7%	18.2%
FIs & Corporates	5,899	10.0%	9.9%
Others	7,062	11.9%	14.4%
Total	59,309	100%	100%

Funding Mix by type of Instrument

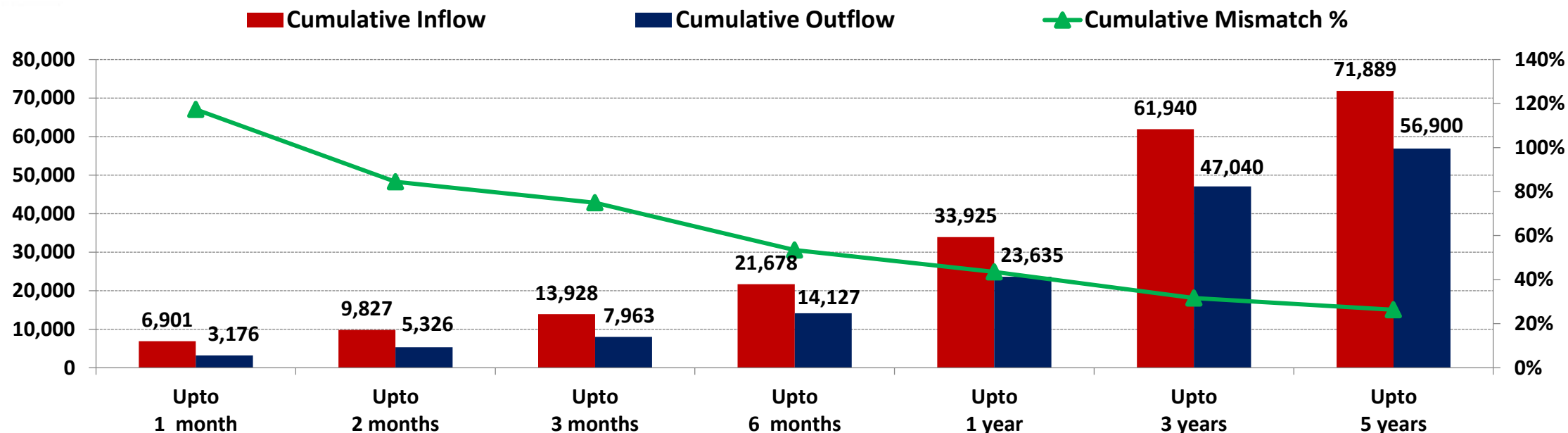
Instrument Type	Jun'22		Mar'22
	Amount	% Share	% Share
NCDs	15,082	25.4%	29.2%
Retail NCDs	3,838	6.5%	7.6%
Bank Loans	18,430	31.1%	27.5%
Offshore Borrowings	2,595	4.4%	4.6%
Fixed Deposits	7,668	12.9%	15.1%
CP, ICD, TREPS	3,887	6.5%	1.5%
Securitisation/ Assignment	7,809	13.2%	14.5%
Total	59,309	100.0%	100.0%

Computed based on FV/ Principal value

^ Based on holding as at respective period ends

ALM Position and Liability Maturity

All figures in INR crores



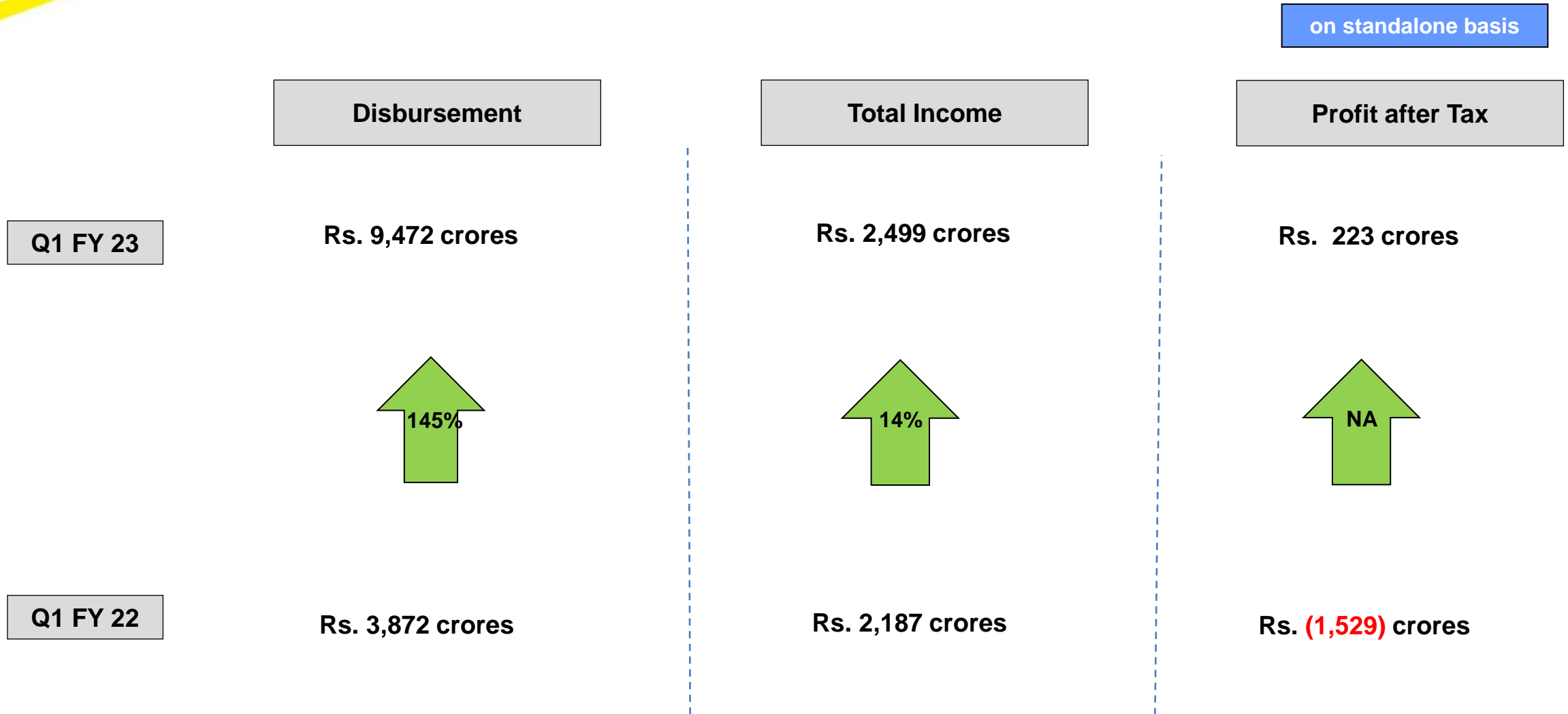
Liability Maturity [^]	Jul-22	Aug-22	Sep-22	Q2 FY 23	Oct-22	Nov-22	Dec-22	Q3 FY 23	Next 6 months
Bank Loans	91	916	1,939	2,946	559	682	1,042	2,283	5,229
Market Instruments (NCD/ CP)	500	-	950	1,450	455	975	750	2,180	3,630
Others (FD/ ICD)	492	544	468	1,504	418	544	380	1,342	2,846
Total	1,083	1,460	3,357	5,900	1,432	2,201	2,172	5,805	11,705

In addition to undrawn sanctioned lines, the Company held Cash/ Liquid investments of ~ INR 8,700 crores

* Based on provisional ALM as on Jun 30, 2022

[^] excl. Securitisation and as on Jun 30, 2022

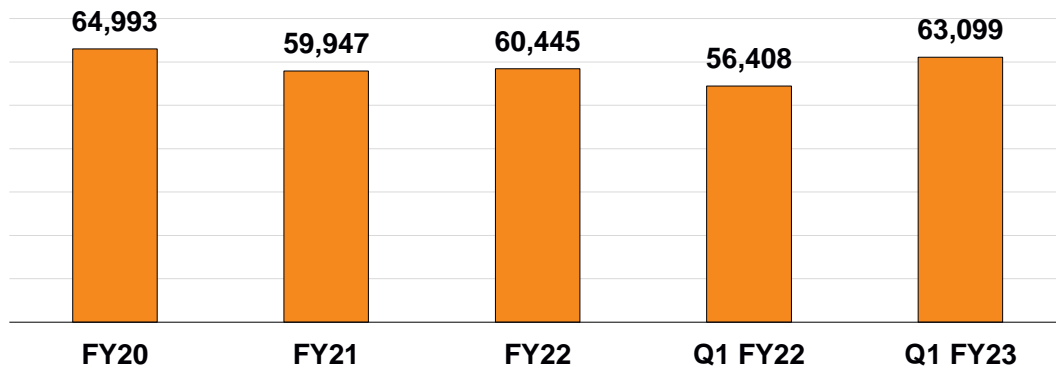
Key Financials



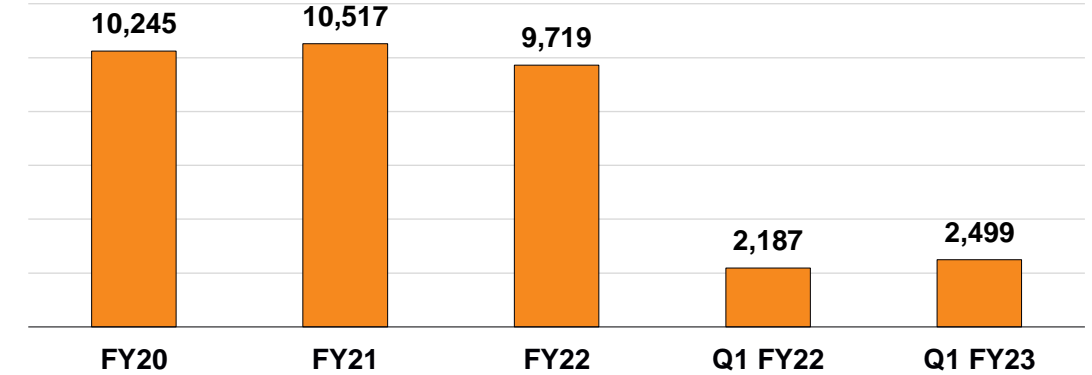
Growth Trajectory

on standalone basis

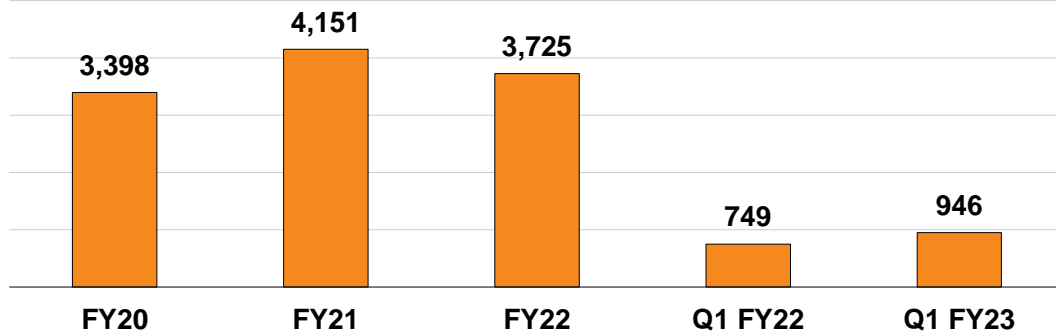
Loan Book ⁽¹⁾ (Rs. crores)



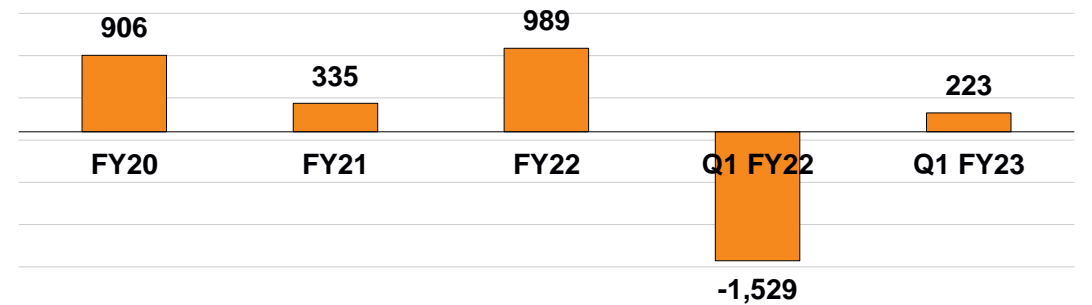
Revenues (Rs. crores)



Pre-Provisioning Operating Profit (Rs. crores)



Profit after Tax ⁽²⁾ (Rs. crores)



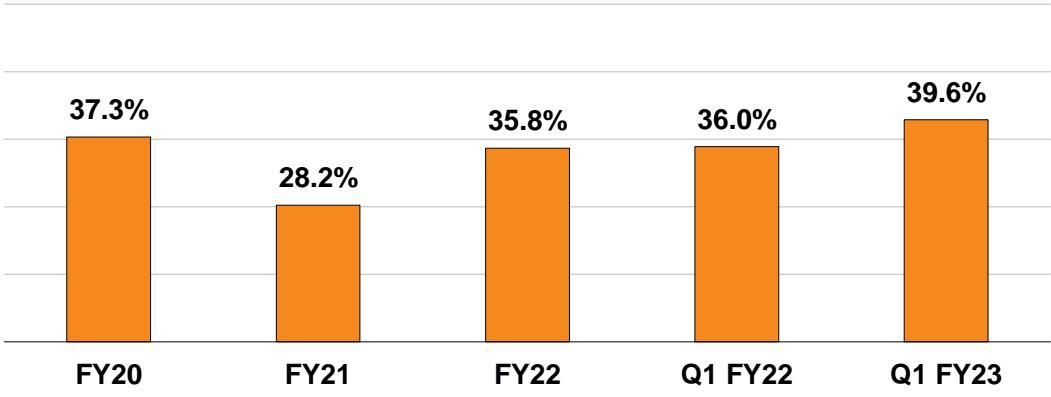
Note : ⁽¹⁾ Loan Book net of provisions.

⁽²⁾ PAT post exceptional items.

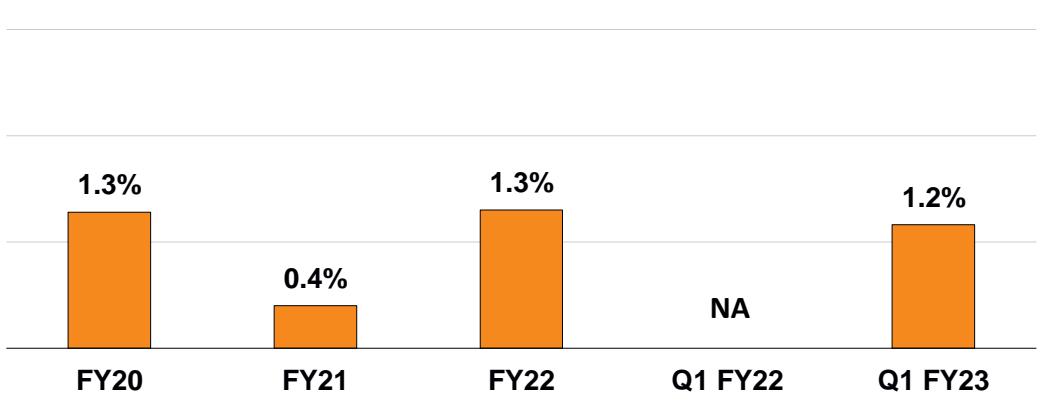
Financial Performance

on standalone basis

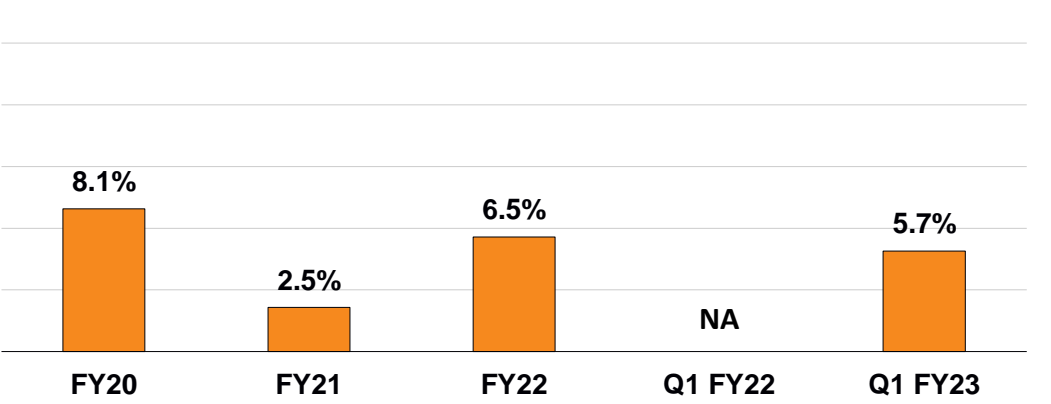
Cost to income ratio ⁽¹⁾ (%)



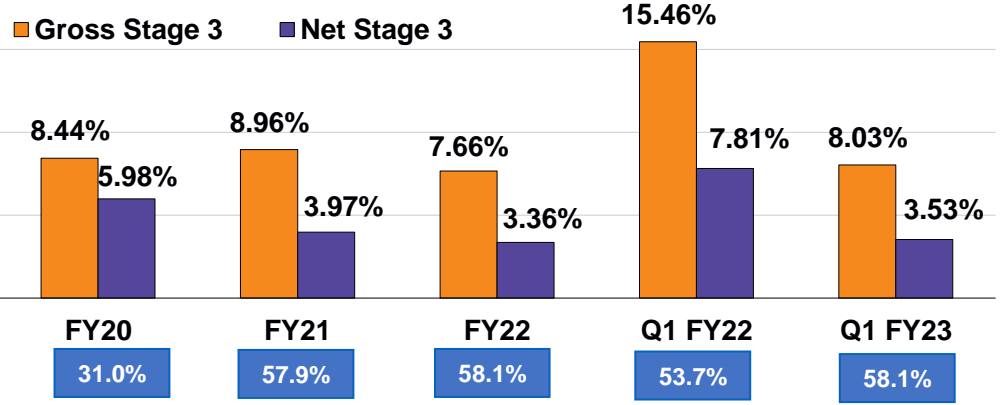
Return on Assets (ROA) ⁽²⁾ (%)



Return on Net Worth (RONW) ⁽²⁾ (%)



Asset Quality (%)



Provision Coverage Ratio: Stage -3 Provisions/ Stage -3 Assets

* Stage 3 information provided as a percentage of Total Business Assets

Note : ⁽¹⁾ Cost to Income calculated as Operating Expenses (including depreciation)/(Net Interest Income + Other Income). ⁽²⁾ Annualised - Calculated based on average total assets/ average network

Standalone Profit & Loss Account

Particulars (Rs. in crores)	Q1FY23	Q1FY22	Y-o-Y	FY22
Revenue from operations (A)	2,486	2,179	14%	9,658
Less: Finance cost (B)	931	1,018	-8%	3,920
NII (C= A+B)	1,555	1,161	34%	5,738
Other Income (D)	12	8	53%	61
Total Income (E=C+D)	1,567	1,169	34%	5,799
Employee benefits expense (F)	353	270	31%	1,172
Other expenses (G)	232	123	88%	775
Depreciation and amortization (H)	36	27	32%	127
Total Expenses (I=F+G+H)	621	420	48%	2,074
Pre-Provisioning Operating Profit (J=E-I)	946	749	26%	3,725
Provisions and write-offs (K) ^	645	2,819	-77%	2,368
Profit before Exceptional items (L=J-K)	301	(2,070)	-	1,357
Exceptional Items (M)	-	-	-	-
Profit before Tax (N=L+M)	301	(2,070)	-	1,357
Tax expense (O)	78	(541)	-	368
Net Profit after Taxes (P=N-O)	223	(1,529)	-	989

Standalone Balance Sheet

Particulars (Rs. in crores)	As on Jun 30, 2022	As on Jun 30, 2021	As on Mar 31, 2022
ASSETS			
Financial Asset			
a) Cash and cash equivalents	505	402	328
b) Bank balance other than (a) above	3,160	2,823	3,823
c) Derivative financial instruments	55	48	27
d) Trade Receivables	16	4	9
e) Loans	63,099	56,409	60,445
f) Investments	8,828	9,448	8,440
g) Other Financial Assets	218	371	223
Financial Asset	75,881	69,505	73,295
Non-Financial Asset			
a) Current tax assets (Net)	553	470	563
b) Deferred tax assets (Net)	914	1,395	837
c) Property, plant and equipment	414	311	383
d) Capital work-in-progress	-	-	-
e) Intangible assets	14	16	9
f) Other non-financial assets	235	88	202
Non-Financial Assets	2,130	2,280	1,994
Total Assets	78,011	71,785	75,289

Figures re-grouped and rounded where found relevant

Standalone Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Jun 30, 2022	As on Jun 30, 2021	As on Mar 31, 2022
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	206	146	182
b) Payables			
i) Trade payables	782	481	955
ii) Other payables	29	25	50
c) Debt Securities	19,290	17,001	18,253
d) Borrowings (Other than Debt Securities)	29,042	26,112	26,006
e) Deposits	7,649	9,307	8,426
f) Subordinated Liabilities	3,105	3,150	3,130
g) Other financial liabilities	1,869	2,118	2,316
Financial Liabilities	61,972	58,340	59,318
Non-Financial liabilities			
a) Current tax liabilities (Net)	14	14	14
b) Provisions	200	155	221
c) Other non-financial liabilities	86	66	108
Non-Financial Liabilities	300	235	343
Equity			
a) Equity Share capital	247	246	247
b) Other Equity	15,492	12,964	15,381
Equity	15,739	13,210	15,628
Total Equities and Liabilities	78,011	71,785	75,289

Figures re-grouped and rounded where found relevant

Summary & Key Ratios

on standalone basis

Particulars	Quarter ended June – 22	Quarter ended June – 21	Year ended March – 22
RONW (Avg. Net Worth) - annualised	5.7%	NA	6.5%
Debt / Equity	3.75:1	4.21:1	3.57:1
Capital Adequacy	25.9%	23.8%	27.8%
Tier I	22.8%	20.1%	24.3%
Tier II	3.1%	3.7%	3.5%
EPS (Basic) (Rs.)*	1.81	-12.41	8.02
Book Value (Rs.)	127.4	106.9	126.5
Dividend %	-	-	180%
New Contracts during the period (Nos.)	206,623	86,321	647,222
No. of employees	19,747	19,571	19,998

* Pursuant to Ind AS - 33, Earnings Per Share for the previous periods have been restated for the bonus element in respect of the Rights issue

Spread Analysis

on standalone basis

Particulars	Quarter ended June – 22	Quarter ended June – 21	Year ended March – 22
Total Loan Income / Average Business Assets	13.7%	12.6%	13.8%
Total Income / Average Assets	13.0%	11.8%	12.8%
Interest cost / Average Assets	4.8%	5.5%	5.2%
Gross Spread	8.2%	6.3%	7.6%
Overheads / Average Assets	3.2%	2.3%	2.7%
Write offs & provisions / Average Assets	3.4%	15.1%	3.1%
Net Spread before Tax	1.6%	-11.1%	1.8%
Net Spread after Tax	1.2%	-8.2%	1.3%

Average Assets is computed based on Net Total Assets i.e Total Assets less Provisions

Collection Efficiency and Restructuring

on standalone basis

Collection Efficiency [^]	Apr	May	Jun	Q1
FY 2023	90%	95%	96%	94%
FY 2022	72%	67%	90%	80%

[^] Computed as (Current month demand collected + Overdues collected)/(Current month demand due for the month)
Without considering restructured contracts

Restructuring*	Number of Contracts		Amount (INR crores)	
	LR 2.0	LR 1.0	LR 2.0	LR 1.0
Restructuring	91,043	157	3,544	47

* Cumulative as on June 30, 2022

Stage 3 - Analysis

on standalone basis

Particulars (Rs. in crores) except figures in %	As on Jun 30, 2022	As on Jun 30, 2021	As on Mar 31, 2022	As on Mar 31, 2021
Business Assets (including Provisions)	67,693	63,582	64,961	64,608
Gross Stage 3	5,436	9,832	4,976	5,786
Less: Stage 3 ECL Provisions	3,157	5,281	2,890	3,352
Net Stage 3	2,279	4,551	2,086	2,434
Gross Stage 3 as % of Business Assets	8.03%	15.46%	7.66%	8.96%
Net Stage 3 as % of Business Assets	3.53%	7.81%	3.36%	3.97%
Coverage Ratio (%) – based on Stage 3 ECL	58.1%	53.7%	58.1%	57.9%
Stage 1 & 2 provision to Business Assets (%)	2.1%	3.0%	2.5%	2.0%
Coverage Ratio (%) – including Stage 1 & 2 provision	84.3%	72.9%	90.6%	80.4%

Particulars (in units) except figures in %	As on Jun 30, 2022	As on Jun 30, 2021	As on Mar 31, 2022	As on Mar 31, 2021
Contracts under Stage 3 (90 dpd)	135,596	294,225	119,202	139,038
% of Live Cases under Stage 3	6.7%	14.1%	5.8%	6.7%
Repossessed Assets (out of above Stage 3 contracts)	12,626	9,828	9,059	8,556

Figures restated, re-grouped and rounded where found relevant

Credit Charge

on standalone basis

	Q1FY23	Q1FY22	FY22	FY21
Stage-1 Provisions	68	(33)	22	(127)
Stage-2 Provisions	(260)	621	295	119
Stage-3 Provisions	267	1,929	(462)	1,572
Provisions – P&L Charge	75	2,517	(145)	1,564
Write-Offs	570	302	2,513	2,171
Total	645	2,819	2,368	3,735

Figures re-grouped and rounded where found relevant

Stage Wise Provisioning

on standalone basis

Stage-Wise Assets and Provisioning												
Rs. in crores	As on 30 th Jun 2022				As on 30 th Jun 2021				As on 31 st Mar 2022			
	Business Assets (Amount and %)		Provisions & Coverage		Business Assets (Amount and %)		Provisions & Coverage		Business Assets (Amount and %)		Provisions & Coverage	
Stage - 1 Assets	54,323	80.25%	512	0.9%	41,434	65.17%	389	0.9%	50,727	78.09%	444	0.9%
Stage - 2 Assets	7,934	11.72%	914	11.5%	12,316	19.37%	1,500	12.2%	9,257	14.25%	1,174	12.7%
Stage - 3 Assets	5,436	8.03%	3,157	58.1%	9,832	15.46%	5,281	53.2%	4,976	7.66%	2,890	58.1%
Total	67,693		4,583	6.8%	63,582		7,170	11.3%	64,961		4,508	6.9%

Stage 2 includes restructured assets of Rs. 2,758 crores as of Q1 FY23; Out of these, assets of Rs. 913 crores (1.3% of the Business Assets) have Nil overdues

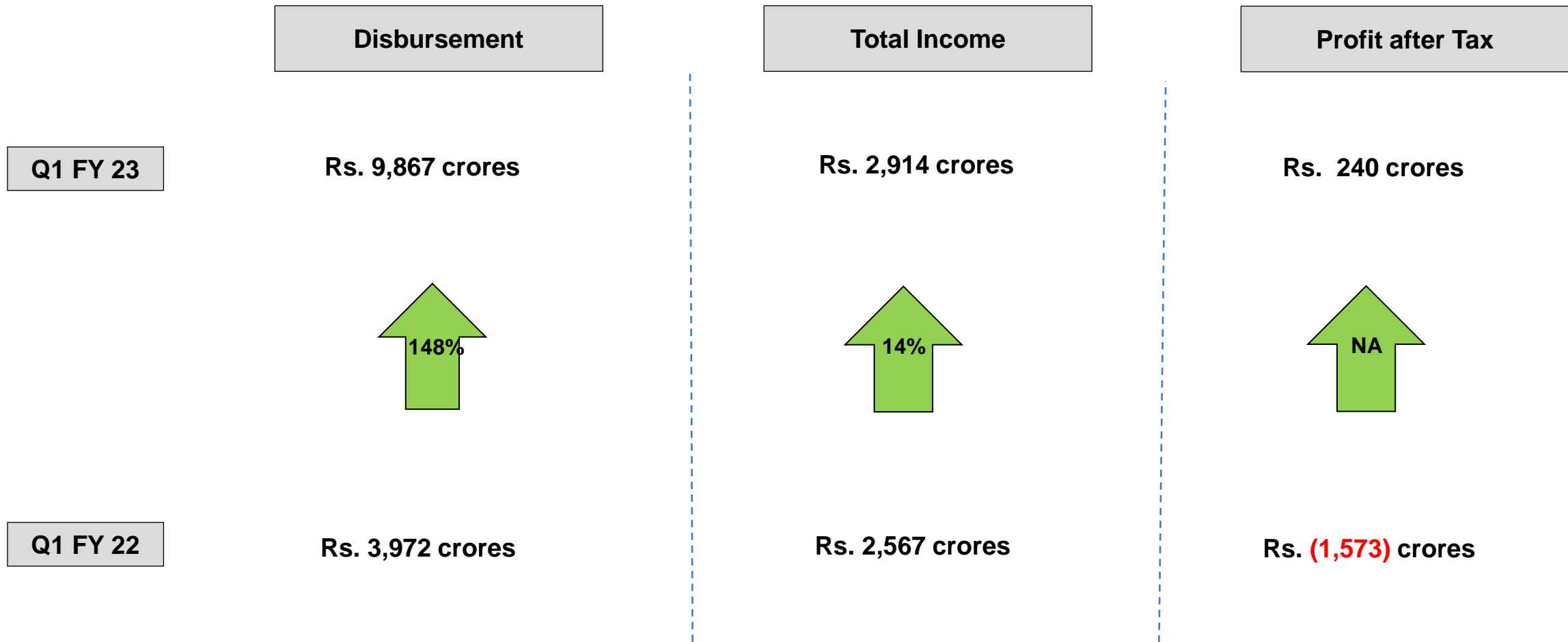
Stage 3 includes restructured assets of Rs. 833 crores as of Q1 FY23

Comparison of IRACP and IND-AS Provisioning requirement			
Rs. in crores	IRACP (A)	IND-AS (B)	Difference (B-A)
Stage 1 and Stage 2	594	1,426	832
Stage 3	2,139	3,157	1,018
Total	2,733	4,583	1,850

Stage 3 coverage includes Management Overlay of Rs. 1,060 crores on account of 100% provisions coverage on 18+ ageing portfolio

Key Financials (Consolidated)

on consolidated basis



Consolidated Profit & Loss Account

Particulars (Rs. in crores)	Q1FY23	Q1FY22	Y-o-Y	FY22
Revenue from operations (A)	2,902	2,560	13%	11,318
Less: Finance cost (B)	1,052	1,151	-9%	4,418
NII (C= A+B)	1,850	1,409	31%	6,900
Other Income (D)	12	7	80%	83
Total Income (E=C+D)	1,862	1,416	32%	6,983
Employee benefits expense (F)	476	365	30%	1,613
Other expenses (G)	327	171	92%	1,044
Depreciation and amortization (H)	43	33	32%	152
Total Expenses (I=F+G+H)	846	569	49%	2,809
Pre-Provisioning Operating Profit (J=E-I)	1,016	847	20%	4,174
Provisions and write-offs (K) ^	709	3,005	-76%	2,691
Profit before Exceptional items (L=J-K)	307	(2,158)	-	1,483
Exceptional Items (M)	-	-	-	21
Share of Profit of Associates (N)	12	17	-31%	45
Profit before taxes (O= L+M+N)	319	(2,141)	-	1,549
Tax expense (P)	79	(568)	-	399
Net Profit after Taxes (Q=O-P)	240	(1,573)	-	1,150

Consolidated Balance Sheet

Particulars (Rs. in crores)	As on Jun 30, 2022	As on Jun 30, 2021	As on Mar 31, 2022
ASSETS			
Financial Asset			
a) Cash and cash equivalents	905	509	765
b) Bank balance other than (a) above	3,426	3,145	4,062
c) Derivative financial instruments	55	48	27
d) Trade Receivables	73	53	65
e) Loans	70,219	63,341	67,660
f) Investments	8,889	10,367	8,654
g) Other Financial Assets	276	561	271
Financial Asset	83,843	78,024	81,504
Non-Financial Asset			
a) Current tax assets (Net)	588	493	587
b) Deferred tax Assets (Net)	1,034	1,506	952
c) Property, plant and equipment	512	376	461
d) Capital Work-in-progress	-	-	-
e) Intangible assets under development	2	1	2
f) Goodwill	43	-	43
g) Other Intangible assets	15	17	11
h) Other non-financial assets	288	144	249
Non-Financial Assets	2,483	2,537	2,305
Total Assets	86,326	80,561	83,809

Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet (Contd.)

Particulars (Rs. in crores)	As on Jun 30, 2022	As on Jun 30, 2021	As on Mar 31, 2022
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	206	146	182
b) Payables			
i) Trade payables	923	632	1,113
ii) Other payables	30	25	51
c) Debt Securities	22,611	20,560	21,597
d) Borrowings (Other than Debt Securities)	31,545	29,037	28,653
e) Deposits	7,514	9,222	8,286
f) Subordinated Liabilities	3,565	3,610	3,590
g) Other financial liabilities	2,395	2,706	2,875
Financial Liabilities	68,789	65,938	66,347
Non-Financial liabilities			
a) Current tax liabilities (Net)	16	14	28
b) Provisions	246	202	276
c) Other non-financial liabilities	96	72	121
Non-Financial Liabilities	358	288	425
Equity			
a) Equity Share capital	247	246	247
b) Other Equity	16,795	13,989	16,649
c) Non-controlling interests	137	100	141
Equity (incl attributable to minority investors)	17,179	14,335	17,037
Total Equities and Liabilities	86,326	80,561	83,809

Figures re-grouped and rounded where found relevant



***Transforming rural lives
across the country***

Executive Summary

Financial Information

Key Subsidiaries

Company Overview

Business Strategy

Awards & CSR Initiatives

Risk Management Policies

Mahindra Rural Housing Finance Limited

Particulars (Rs. in crores)	Q1FY23	Q1FY22	Year ended March – 22
Loans disbursed	395	100	1,602
No. of Customer Contracts (nos.)	16,162	3,060	75,327
Loans & Advances (net)	6,974	6,932	7,029
Total income	329	334	1,377
PBT	2	-94	58
PAT	2	-65	48
Net-worth	1,456	1,339	1,455
Gross Stage 3 %	14.49%	18.16%	11.33%
Net Stage 3 %	9.95%	13.78%	8.47%

- **Business Area:** Provide loans for home construction, extension, purchase and improvement to customers in rural and semi-urban India
- **Shareholding pattern:** MMFSL – 98.43%; MRHFL Employee Welfare Trust and Employees – 1.57%
- **Reach:** Currently spread in 14 States & 1 Union Territory

[^] The Company has cumulative management overlay of Rs. 52 crores as at 30 June 2022

Mahindra Insurance Brokers Limited

Particulars (Rs. in crores)	Q1FY23	Q1FY22	Year ended March – 22
No. of Policies for the Period (nos.)	5,02,358	3,12,937	18,63,160
Net Premium	635	448	2,360
Total income	89	60	348
PBT	3	5	70
PAT	2	3	52
No. of employees (nos.)	955	1,123	1,027

- **Business Area:** Licensed by IRDAI for undertaking insurance broking in Life, Non-Life and reinsurance businesses
- **Shareholding pattern:** MMFSL – 80%; Inclusion Resources Pvt. Ltd. – 20%



***Transforming rural lives
across the country***

Executive Summary

Financial Information

Key Subsidiaries

Company Overview

Business Strategy

Awards & CSR Initiatives

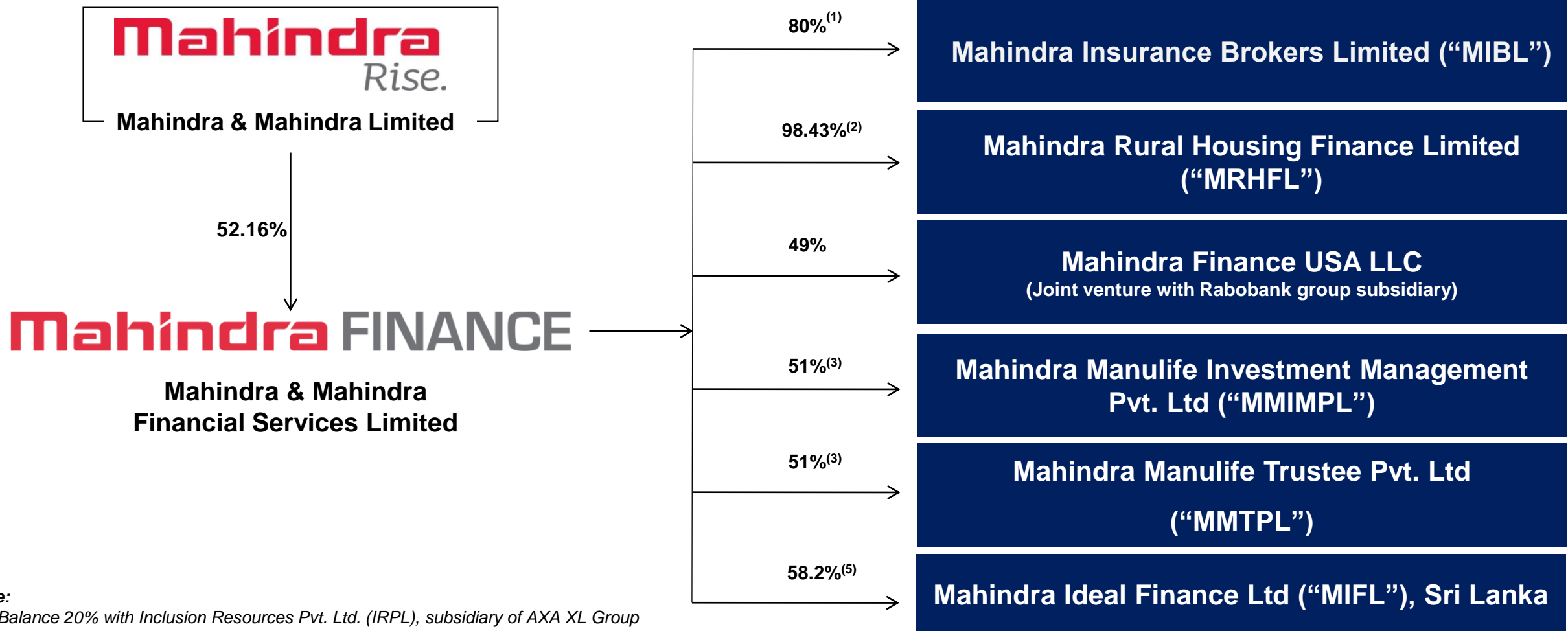
Risk Management Policies

Company Background

Parentage:	Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (<i>Mcap: Rs 1.42 trillion</i>)*
About MMFSL:	MMFSL (<i>Mcap: Rs 246 billion</i>)*, one of India’s leading non-banking finance companies focused in the rural and semi-urban sector
Key Business Area:	Primarily in the business of financing purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipment and SME Financing
Vision:	MMFSL’s vision is to be a leading provider of financial services in the rural and semi-urban areas of India
Reach:	Has 1,384 offices covering 27 states and 7 union territories in India, with over 7.9 million customer contracts since inception
Credit Ratings:	India Ratings has assigned AAA/Stable, CARE Ratings has assigned AAA/Stable, Brickwork has assigned AAA/Stable and CRISIL has assigned AA+/Stable rating to the Company’s long term and subordinated debt

**Source: Market capitalisation as of July 27, 2022 from BSE website*

MMFSL Group structure



Note:

1. Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of AXA XL Group
2. Balance 1.58% held by MRHFL Employee Welfare Trust and employees
3. Manulife Investment Management (Singapore) Pte. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.
4. Mahindra Finance CSR Foundation is a wholly owned subsidiary to undertake all CSR initiatives under one umbrella
5. MIFL wef 8th July 2021 is a subsidiary of the Company

Our Journey

Commenced Housing Finance business through MRHFL

Raised Rs. 414 crores through Private Equity

Completed IPO, Subscribed ~ 27 times

Equity participation of 12.5% by NHB in MRHFL

Recommended Fixed Deposit Program

Crossed 1 million cumulative customer contracts

QIP Issue of Rs. 426 crores

JV with Rabobank subsidiary for tractor financing in USA

Stake sale in MIBL to Inclusion Resources Pvt. Ltd.

QIP Issue of Rs. 867 crores

Long term debt rating upgraded to AAA by India Ratings and Brickwork.

CARE Ratings assigned AAA rating to long term debt

Certificate of Registration received from SEBI by Mahindra Mutual Fund

Maiden Retail NCD Issue of Rs. 1000 crores
Oversubscribed over 7x of base issue size of Rs. 250 crores

Sale of 5% of MIBL at a valuation of Rs. 1,300 crores

QIP Issuance : Rs. 1,056 crores;
Preferential Issue to M&M : Rs. 1,055 crores

Maiden issue of ECB undertaken. Raised over \$200 million

Crossed 6 million cumulative customer contracts

Partnered with Manulife for Mutual Fund business

Invested in Ideal Finance for providing financial services in Sri Lanka

Rights Issue of Rs. 3,089 crores

Ideal Finance becomes a subsidiary

FY 06

FY 08

FY 09

FY 10

FY 11

FY 13

FY 15

FY 16

FY 17

FY 18

FY 19

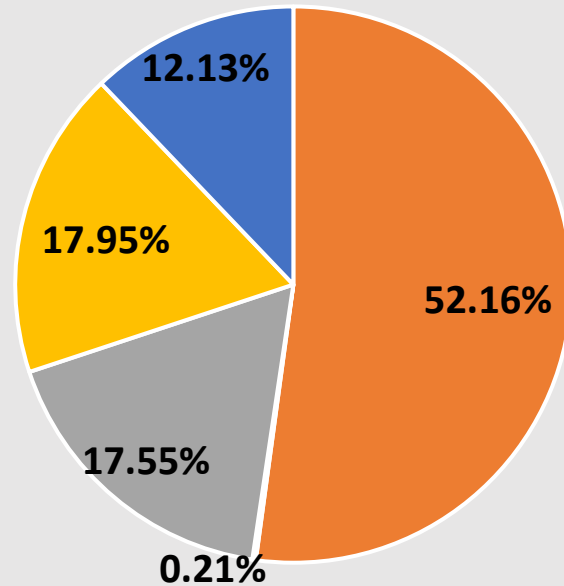
FY 20

FY 21

FY 22

Shareholding Pattern (as on June 30, 2022)

Shareholding Pattern



- Promoter
- FII
- Non-Institutions
- Esop Trust
- Mutual Funds and DIs

Top 10 Public Shareholders

- Life Insurance Corporation Of India
- Wishbone Fund, Ltd.
- HDFC Life Insurance Company Limited
- HDFC Trustee Company Ltd
- Ashish Dhawan
- Valiant Mauritius Partners Offshore Limited
- Nippon Life India Trustee Ltd.
- Bank Muscat India Fund
- Kotak Emerging Equity Scheme
- Life Insurance Corporation Of India - P & Gs Fund

Mahindra & Mahindra Limited holds a stake of 52.16% in the Company



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Executive Summary

Financial Information

Key Subsidiaries

Company Overview

Business Strategy

Awards & CSR Initiatives

Risk Management Policies

Business Strategy

Grow in rural and semi urban markets by providing financing, investment and insurance solutions

Expand Branch Network

Leverage existing customers base through Direct Marketing Initiatives

Diversify Product Portfolio: Nurture new businesses of Digital Finance and Leasing

Broad base Liability Mix

Continuing to attract, train and retain talented employees

Effective use of technology to improve productivity

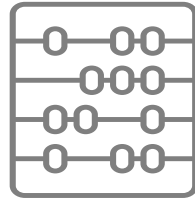
Leverage the “Mahindra” Ecosystem

Transformation priorities

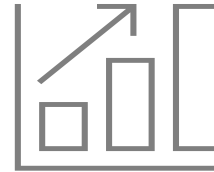
- 1 Stabilize Asset Quality** Focus on bringing the volatility down
- 2 Recharge Growth** Build high quality diversified business
- 3 Strengthen Tech & Digital** Data informed thinking
- 4 Future Ready Human Capital** High Performing Organisation

Sustainable profitable growth: Vision 2025

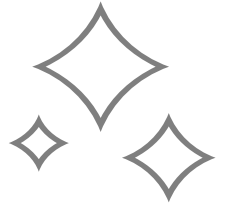
Stable asset quality
GS-3 < 6%



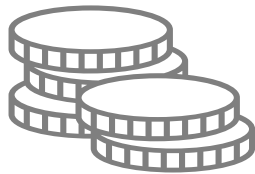
2x AUM



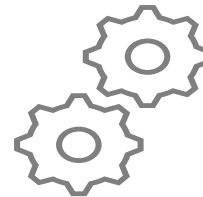
New business contribution:
15%



Maintain NIMs ~7.5%



Operating leverage: Cost to Assets ~2.5%



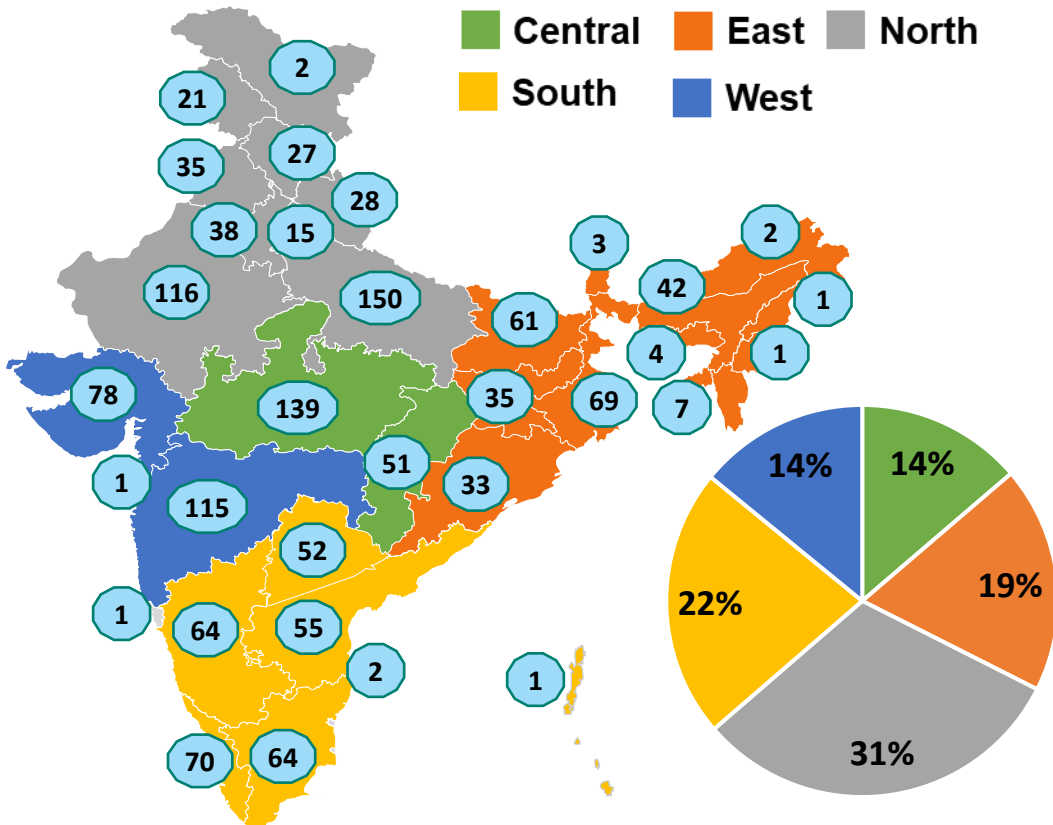
RoA ~2.5%



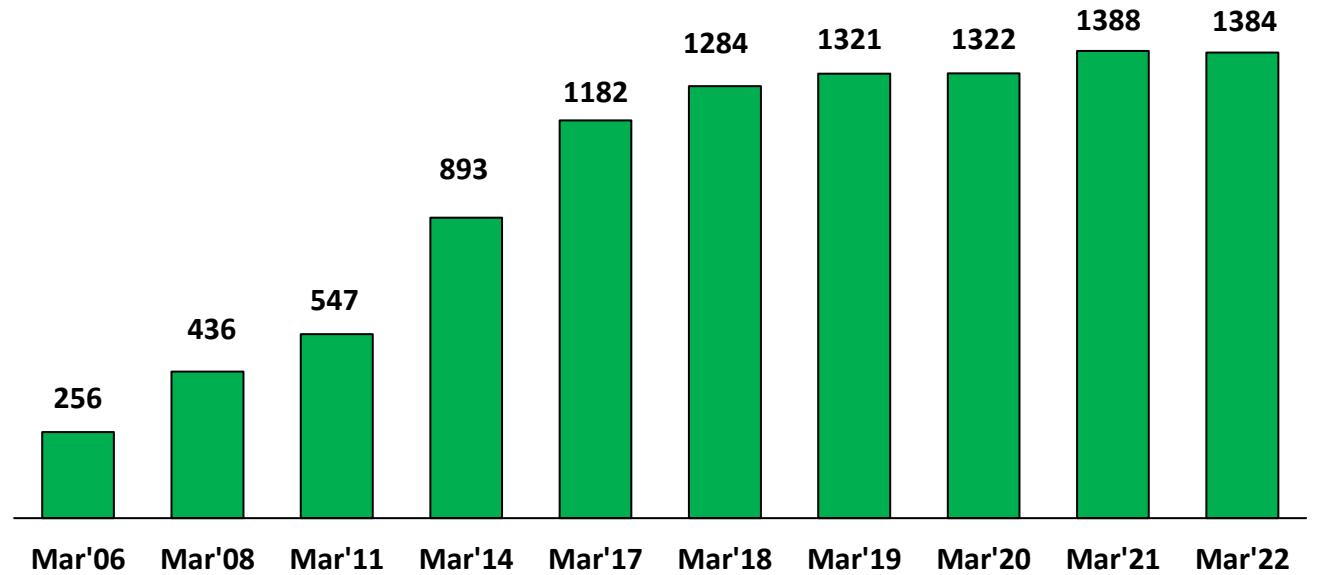
Extensive Branch Network

- Extensive branch network with presence in 27 states and 7 union territories in India through 1,384 offices
- Branches have authority to approve loans within prescribed guidelines

Coverage



Branch Network as of



Diversified Product Portfolio

Vehicle Financing

- Loans for auto and utility vehicles, tractors, cars, commercial vehicles and construction equipments



Pre-Owned Vehicles

- Loans for pre-owned cars, multi-utility vehicles, tractors and commercial vehicles



SME Financing

- Loans for varied purposes like project finance, equipment finance and working capital finance



Personal Loans

- Offers personal loans typically for weddings, children's education, medical treatment and working capital



Mutual Fund Distribution

- Advises clients on investing money through AMFI certified professionals



Insurance Broking

- Insurance solutions to retail customers as well as corporations through our subsidiary MIBL



Housing Finance

- Loans for buying, renovating, extending and improving homes in rural and semi-urban India through our subsidiary MRHFL



Mutual Fund & AMC

- Asset Management Company/ Investment Manager to 'Mahindra Manulife Mutual Fund',



Employee Management and Technology Initiatives

Employee engagement & training

- Foster a Digital Learning ecosystem that drives a culture of anytime-anywhere learning.
- Structured framework which nurtures the functional and leadership capabilities of all employees across verticals.
- In times of an unforeseen event, like the COVID-19 pandemic, psychological and financial support is provided to our employees
- Ekincare, our AI-driven health & wellness app, closely monitors employee health needs.
- Virtual engagement platform “MF-People First” has been launched to drive all celebrations & recognition activities.
- Participate in Group’s Talent Management & Retention program

Covid initiatives taken for employees

- Financial assistance to employees tested positive; monthly payout to family and reimbursement of children education for employees who have lost life
- Facilitating Covid vaccination & reimbursing hospitalization expenses through insurance policy

Technology initiatives

- Next gen API commissioned for scaling partnerships, integrating fintech ecosystem & create enterprise wide microservices layer
- Deployed digital assets on the cloud to auto scale as we grow & strengthened the resiliency for technology platforms
- Modernising applications by implementing digital processes:
 - Omnichannel communication interface (SMS/Email/WhatsApp)
 - Integrated customer service – with click of a button
 - Direct OEM integrations & lead sourcing in low bandwidth area
 - Enabling digital collections thru BBPS, Fino & CSC
- Provide outcome-based data driven visual dashboards for quicker and strategic business decisions
- Continues to harness the power of end users thru secured and digital practices and tools
 - Agile practices and workforce across various verticals
 - Moving towards DevSecOps model of software development
 - New gen device agnostic e-learning module
 - Moving towards Zero trust architecture

Credit Rating

MMFSL believes that its credit rating and strong brand equity enables it to borrow funds at competitive rates

Credit Rating	India Ratings	Outlook
Long term and Subordinated debt (incl. MLD); Bank Facilities	IND AAA IND PP-MLD AAA emr	Stable
Short term debt	IND A1+	--
Fixed Deposit Programme	IND AAA	Stable
	CARE Ratings	Outlook
Long term and Subordinated debt	CARE AAA	Stable
	Brickwork	Outlook
Long term and Subordinated debt	BWR AAA	Stable
	CRISIL	Outlook
Long term and Subordinated debt; Bank Facilities	CRISIL AA+	Stable
Short term debt	CRISIL A1+	--

Awards & Accolades

- Ranked **54th** among India Best Companies to Work 2021 by Great Place to Work[®] Institute
- India's **30th** Best workplaces in BFSI 2021 by Great Place to Work[®] Institute
- India's Best workplaces in NBFCs 2021 by Great Place to Work[®] Institute
- Included 3rd time in FTSE4Good Index Series demonstrating strong Environmental, Social and Governance (ESG) practices
- Ranked 29th amongst Top 100 Indian companies for Sustainability & CSR 2021 by Futurescapes
- Included in the 'CRISIL Sustainability Yearbook 2022' in the Leadership category for ESG performance
- Participating in the Dow Jones Sustainability Index (DJSI) Corporate Sustainability Assessment for 8 years and have been included in the DJSI Sustainability yearbook 5 times



CSR Initiatives

- To further solidify our adherence towards the well-being of the driver communities, your Company successfully completed the Phase I of its flagship program – 'Swabhimaan' impacting the lives of 50,000+ beneficiaries across India and launched the Phase II of this program
- This multi-year program's focus has been to address the professional, financial, and familial challenges faced by the drivers and their families and further contributes to their overall well-being. Through the Phase II of this program, we aim to benefit additional 33,500+ beneficiaries through key interventions initiatives like:
 - ❑ Training New Drivers; Auto Mechanic Training for Women
 - ❑ Road Safety Training for Existing Drivers
 - ❑ A Financial Planning Workshop for Drivers
 - ❑ Scholarship for Drivers' Children
- Supporting Skills development for Persons with Disabilities at Mumbai & Vizag.
- Released FSS CSR Calendar interventions for employees volunteering which includes various physical and virtual interventions like tree plantation, blood donation, Samantar, health camps etc.

Risk Management Policies

Provisioning Norms

Stage	Description	Provision Mechanism
Stage 1	0- 30 days past due	PD * LGD * Stage 1 Asset
Stage 2	> 30 to <= 90days past due	PD * LGD * Stage 2 Asset
Stage 3	> 90 days past due	LGD * EAD of Stage 3 Asset*

The Company may also make additional management overlays based on its assessment of risk profile and to create safeguard from potential future events

PD – Probability of Default;

LGD – Loss given Default;

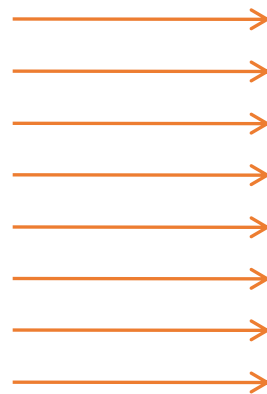
EAD – Exposure at Default

**Fair valued at reporting date*

Key Risks & Management Strategies

Key Risks

- Volatility in interest rates
- Rising competition
- Raising funds at competitive rates
- Dependence on M&M
- Occurrence of natural disasters
- Adhering to write-off standards
- Employee retention
- Physical cash management



Management Strategies

- Matching of asset and liabilities
- Increasing branch network
- Maintaining credit rating & improving asset quality
- Increasing non-M&M Portfolio
- Increasing geographical spread
- Diversify the product portfolio
- Job rotation / ESOP/ Recovery based performance initiatives
- Insurance & effective internal control

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