

26th October, 2020

The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Scrip Code : 532720

Dear Sirs,

Sub: Investors / Analysts' Presentation

Ref : Letter dated 21st October, 2020 informing about Investors/Analysts' Call(s)

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Scrip Code : M&MFIN

Further to our letter dated 21st October, 2020, and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], we are enclosing herewith the presentation to be made to the Investors/Analysts on the Unaudited Financial Results of the Company for the second quarter and half year ended 30th September, 2020. The conference call is scheduled to be held on Tuesday, 27th October, 2020 at 10.30 a.m. (IST).

The presentation is also being uploaded on the website of the Company at the URL <https://mahindrafinance.com/investor-zone#Latestupdate> in accordance with Regulation 46 of the Listing Regulations.

Kindly take the same on record.

Thanking you,

Yours Faithfully,
Mahindra & Mahindra Financial Services Limited

ARNAVAZ
MANECK
PARDIWALLA
Digitally signed by
ARNAVAZ MANECK
PARDIWALLA
Date: 2020.10.26
18:16:37 +05'30'

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a

Mahindra & Mahindra Financial Services Limited

Quarter Result Update
September - 2020

Corporate Office:

Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai-400 018, India

Tel: +91 22 66526000

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Email: investorhelpline_mmfsl@mahindra.com

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Mumbai-400 001, India

Tel: +91 22 2289 5500

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www.mahindrafinance.com

CIN - L65921MH1991PLC059642



Company Overview

Industry Overview

Business Strategy

Financial Information

Key Subsidiaries

Awards & Accolades

Risk Management Policies

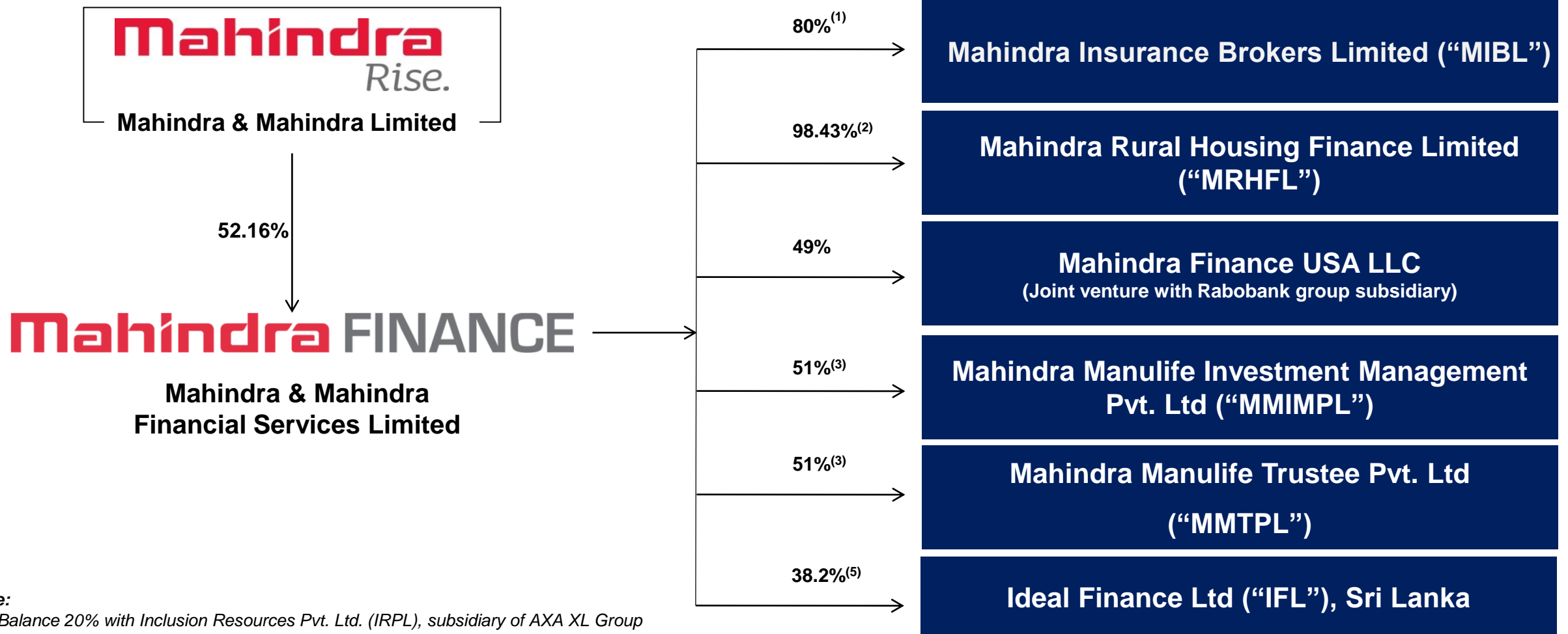
Transforming rural lives across the country

Company Background

Parentage:	Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (<i>Mcap: Rs 777 billion</i>)*
About MMFSL:	MMFSL (<i>Mcap: Rs 166 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 1,256 offices covering 27 states and 7 union territories in India, with over 6.99 million vehicle finance 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 October 23, 2020 from BSE website*

MMFSL Group structure



Note:

1. Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of AXA XL Group
2. Balance 1.57% 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. The Company has entered into a subscription agreement to acquire 58.26% of IFL and has remitted an amount of Rs.440 million towards acquiring 38.2% of its equity share capital

Our Journey

Commenced housing finance business through MRHFL

Raised Rs. 4.14 Bn 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

Maiden QIP Issue of Rs. 4.26 Bn

JV with Rabobank subsidiary for tractor financing in USA

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

CARE Ratings assigned AAA rating to long term debt

Stake sale in MIBL to Inclusion Resources Pvt. Ltd.

QIP Issue of Rs. 8.67 Bn

Certificate of Registration received from SEBI by Mahindra Mutual Fund

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

Sale of 5% of MIBL at a valuation of Rs. 1300 crores

QIP Issuance : Rs. 10.56 bn and Preferential Issue to M&M : Rs. 10.55 bn

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

Crossed 6 million cumulative customer contracts

Partnered with Manulife for Mutual Fund business

Invested in Ideal Finance for providing financial services in Sri Lanka

Completed Rights Issue of Rs. 3089 crores. Tier – I Capital Adequacy enhanced to 20.8%

FY 06

FY 08

FY 09

FY 10

FY 11

FY 13

FY 15

FY 16

FY 17

FY 18

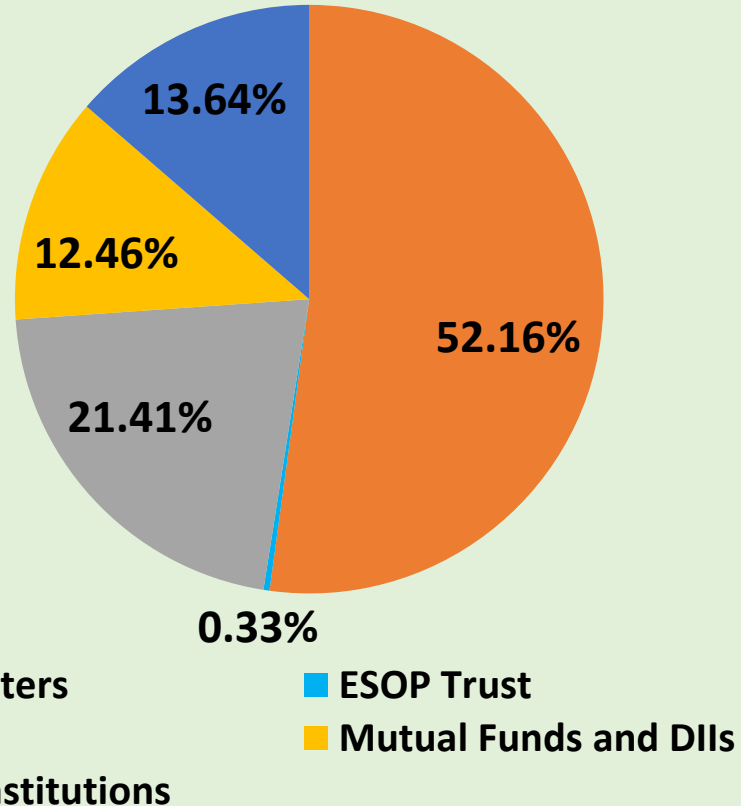
FY 19

FY 20

FY 21

Shareholding Pattern (as on September 30, 2020)

Shareholding Pattern



Top 10 Public Shareholders

- HDFC Life Insurance Company Limited
- Valiant Mauritius Partners Offshore Limited
- Life Insurance Corporation Of India
- Government Pension Fund Global
- Wishbone Fund, Ltd.
- Buena Vista Asian Opportunities Master Fund Ltd
- Kotak Funds - India Midcap Fund
- Valiant Mauritius Partners Limited
- SBI Blue Chip Fund
- Bank Muscat India Fund

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



Company Overview

Industry Overview

Business Strategy

Financial Information

Key Subsidiaries

Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Auto Industry Volume

Domestic Sales (Volume in '000)	1HFY21 (Nos.)	1HFY20 (Nos.)	Y-o-Y Growth (%)	FY20 (Nos.)	FY19 (Nos.)	Y-o-Y Growth (%)
Passenger Vehicles (PVs)						
Passenger Cars / Vans	506	815	(38%)	1,698	2,219	(23%)
UV's	374	518	(28%)	1,075	1,159	(7%)
Commercial Vehicles (CVs)						
M&HCVs	29	123	(76%)	225	391	(42%)
LCVs	136	253	(46%)	493	617	(20%)
Three Wheelers *	40	264	(85%)	637	701	(9%)
Tractors	402	359	12%	709	787	(10%)

* Three Wheelers data is updated till August. Relevant period (Apr-Aug considered for comparison for FY 20 and FY21)

Automobile Finance Market: 5 years Projected Growth

Segment-wise growth in disbursement

	FY 14 E (Rs. Bn.)	CAGR FY 14 – FY 20	FY 20 E (Rs. Bn.)	FY 21 (P) (Rs. Bn.)	FY 22 (P) (Rs. Bn.)	FY 23 (P) (Rs. Bn.)	CAGR FY 20 – FY 23 (P)
Passenger vehicle	696	8%	1,128	875	1,059	1,218	3%
Commercial vehicle	319	10%	541	315	513	643	5% - 6%
Two wheelers	140	14%	310	256	291	352	4%
Three wheelers	64	9%	107	60	86	98	(3%)

Car & UV Loan Portfolio

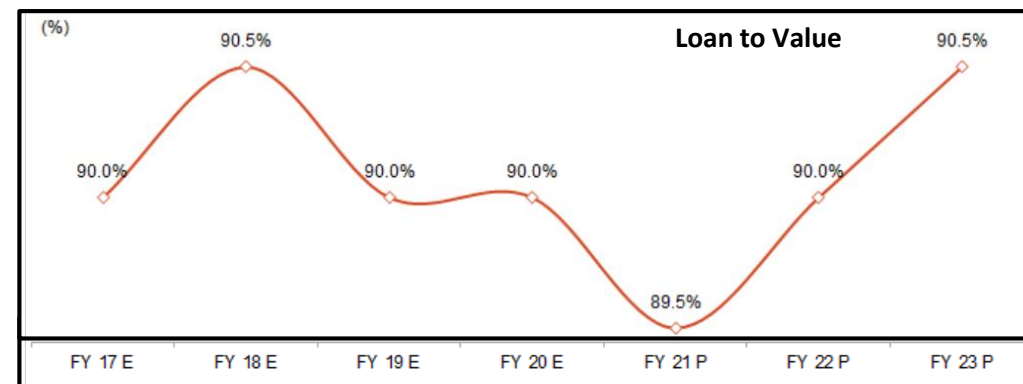
Top 20 Cities

Other Cities

Finance Penetration Ratio

80.0%

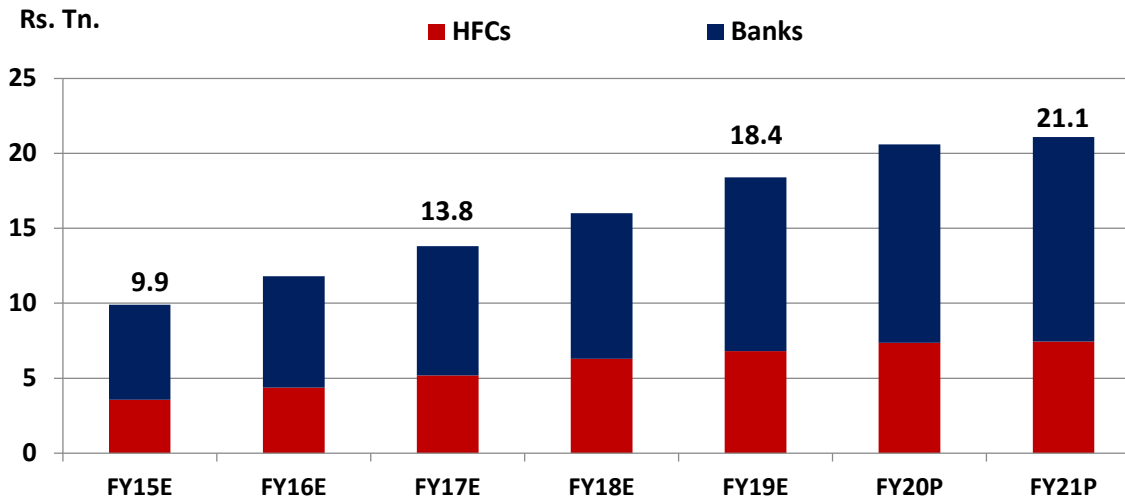
65.0%



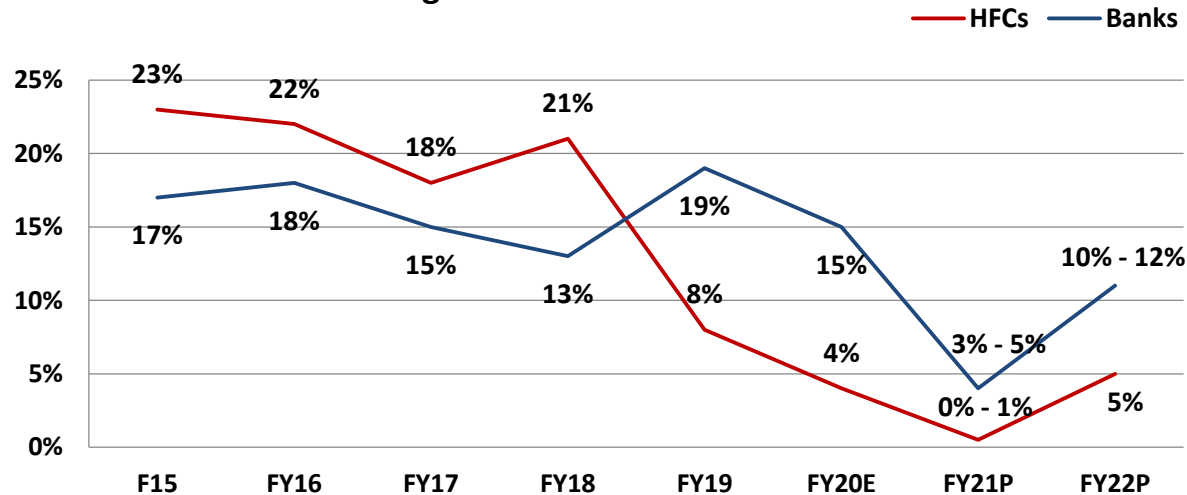
- Loan-to-value (LTVs) expected to reduce in near term by 0.5% - 1.0%, and thereafter increase post FY 21. Significantly reduced across CV's
- Passenger vehicle penetration still a long way to go compared to developed economies
- Expects NBFC penetration to increase in the automobile financing industry from 33.8% (FY 20) to 35%-36% (FY 23).
- Financing penetration to inch up marginally with increasing rural penetration from NBFCs

Housing Finance Growth

Housing Portfolio Size and Market Share



Loan Book Outstanding Growth Rate



- Housing credit growth expected to slow down post Covid-19. Expect credit outstanding to grow by 3%-4% in FY 21
- Share of Banks gradually increasing from 61% in FY18 to 66%-67% in FY 21/22
- Share of banking loans for HFC's continue to increase amidst low cost of borrowings and increased deposit base
- Positive actions take by government:
 - Liquidity and funding support
 - Regulatory forbearance on asset quality
- Housing loan to grow at a faster pace and have better RoAs compared to other asset segments like LAP, wholesale loans
- Yields to remain under pressure due to competition from banks and credit cost to increase, resulting in profitability pressure
- Rise in finance penetration in Tier II/ smaller towns to fuel loan growth. Mortgage penetration in India is 9 – 11 years behind other regional emerging markets like China and Thailand.



Company Overview

Industry Overview

Business Strategy

Financial Information

Key Subsidiaries

Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Business Strategy

Grow in rural and semi urban markets for vehicle and automobile financing

Expand Branch Network

Leverage existing customers base through Direct Marketing Initiatives

Diversify Product Portfolio

Broad base Liability Mix

Continuing to attract, train and retain talented employees

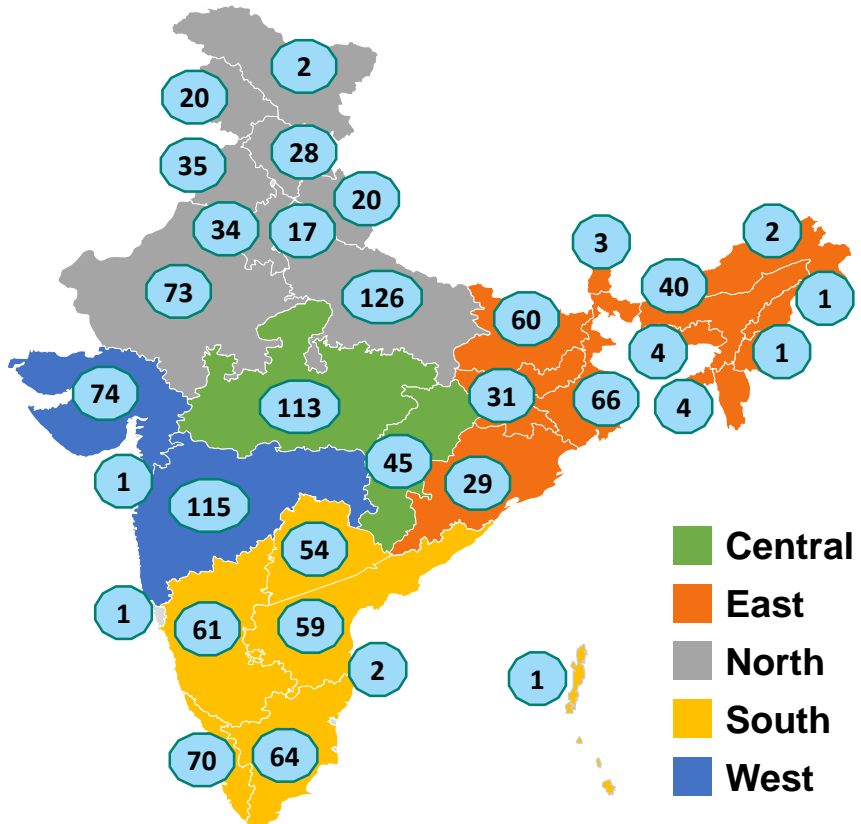
Effective use of technology to improve productivity

Leverage the “Mahindra” Ecosystem

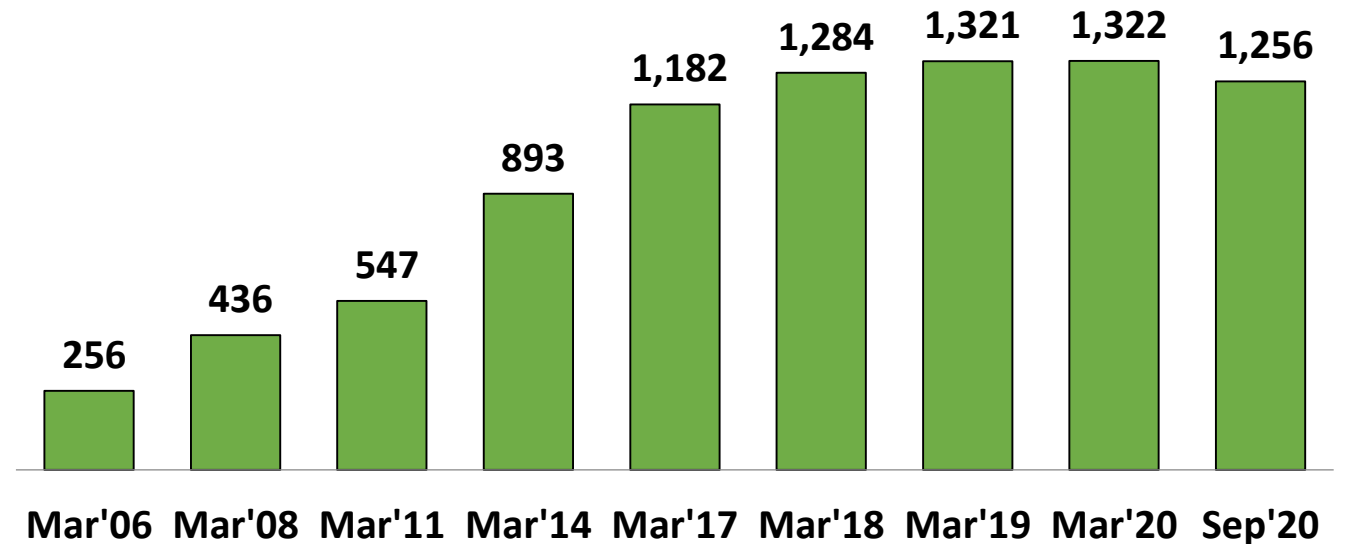
Extensive Branch Network

- Extensive branch network with presence in 27 states and 7 union territories in India through 1,256 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 under the brand "MAHINDRA FINANCE FINSMART"



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 Mutual Fund', which received certificate of registration from SEBI



Employee Management and Technology Initiatives

Employee engagement & training

- Training programs for employees on regular basis
- 5 days induction program on product knowledge, business processes and aptitude training
- Mahindra Finance Academy training programs for prospective and existing employees at 5 locations
- Assessment & Development Centre for promising employees
- Employee recognition programs such as– Dhruv Tara, Annual Convention Award and Achievement Box
- Participation in Mahindra Group's Talent Management and Retention program

Technology initiatives

- All our offices are connected to the centralised data centre in Mumbai through Lease line/tablets
- Through tablets and mobile applications connected by GPRS to the central server, we transfer data which provides
 - Prompt intimation by SMS to customers
 - Complete information to handle customer queries with transaction security
 - On-line collection of MIS on management's dashboard
 - Recording customer commitments
 - Enables better internal checks & controls
- Continues to enhance digital capabilities and use of technology to improve efficiency and function normally in current scenario
 - Providing computers and tablets to employees to operate from home
 - On-line training and learning sessions to improve capabilities
 - Promoting digital/ non-cash collections

Break down of estimated value of Assets Financed

on standalone basis

Asset Class	Half Year ended Sep – 20	Half Year ended Sep – 19	Year ended March – 20
Auto/ Utility vehicles	32%	27%	28%
Tractors	26%	16%	17%
Cars	21%	19%	19%
Commercial vehicles and Construction equipments	5%	17%	15%
Pre-owned vehicles	7%	18%	18%
SME and Others	9%	3%	3%

Break down of Business Assets

on standalone basis

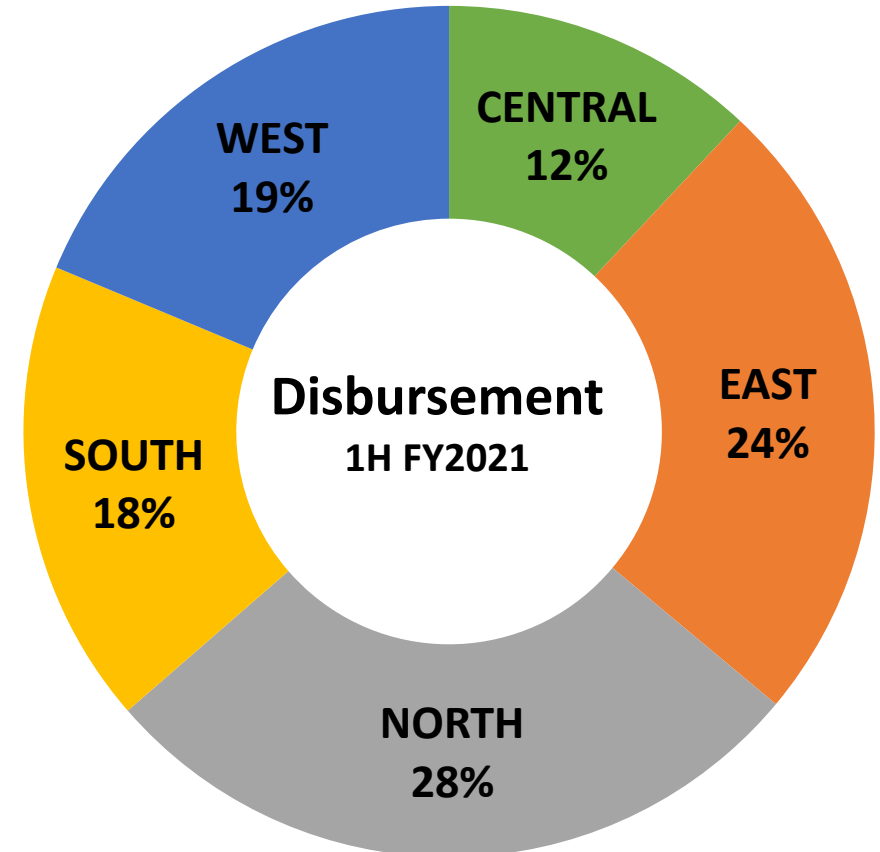
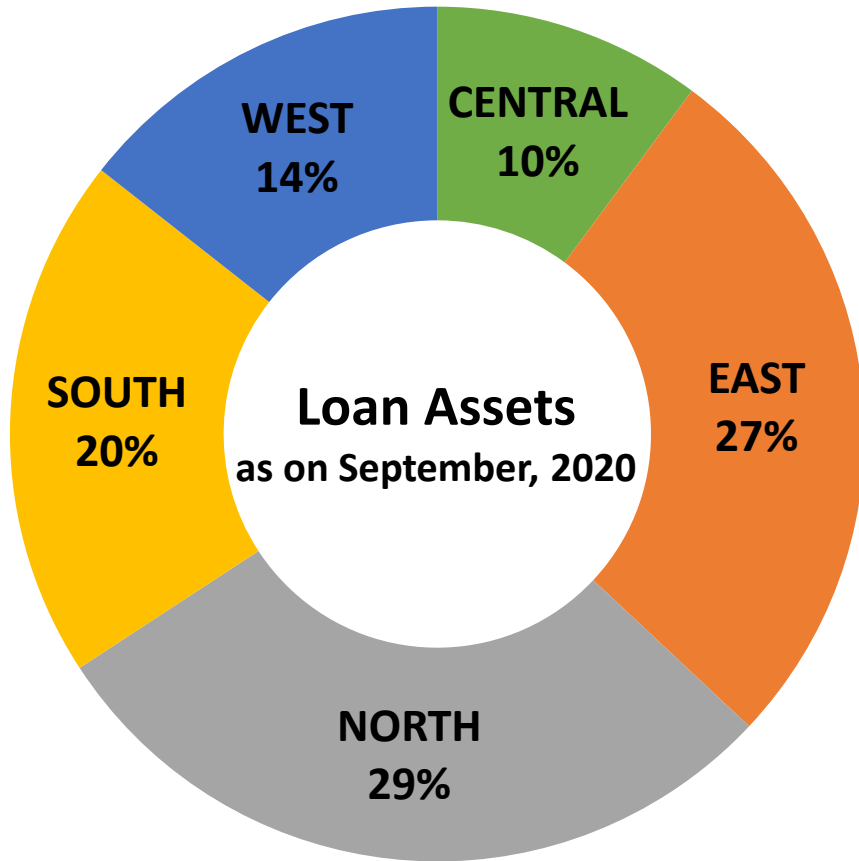
Asset Class	As on September – 20	As on September – 19	As on March – 20
Auto/ Utility vehicles	28%	26%	27%
Tractors	17%	17%	17%
Cars	21%	20%	21%
Commercial vehicles and Construction equipments	18%	19%	19%
Pre-owned vehicles	9%	9%	10%
SME and Others	6%	9%	6%

As on 30th September 20, ~44% of the AUM was from M&M assets

* Share of SME: 3%

Break down by Geography

on standalone basis



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

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

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

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

CENTRAL: Chhattisgarh, Madhya Pradesh;

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+	--
	CARE Ratings	Outlook
Long term and Subordinated debt	CARE AAA	Stable
	Brickwork	Outlook
Long term and Subordinated debt	BWR AAA	Stable
	CRISIL	Outlook
Fixed Deposit Programme	FAAA	Stable
Short term debt	CRISIL A1+	--
Long term and Subordinated debt; Bank Facilities	CRISIL AA+	Stable

Broad Based Liability Mix

on standalone basis

All figures in INR million

Working Capital Consortium Facility at Rs. 20,000 mn. comprising several banks

Funding Mix by type of Instrument (Sept'20)

Investor Type	Amount (INR mn.)	% Share
Banks/ Dev. Institutions	300,891	49.8%
Mutual Fund	42,286	7.0%
Insurance & Pension Funds	102,561	17.0%
FIs & Corporates	55,165	9.1%
Others	103,547	17.1%
Total	604,450	100.0%

Funding Mix by type of Instrument (Sept'20)

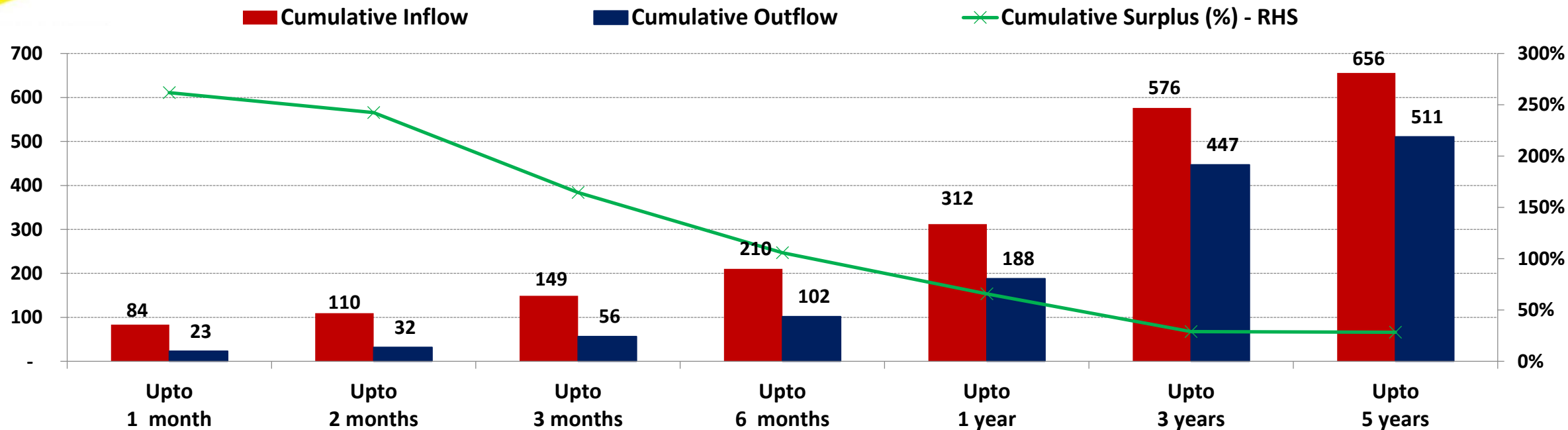
Instrument Type	Amount (INR mn.)	% Share
NCDs	172,594	28.6%
Retail NCDs	42,975	7.1%
Bank Loans	157,584	26.0%
Offshore Borrowings	40,217	6.7%
Fixed Deposits	94,868	15.7%
CP/ ICD	13,156	2.2%
Securitisation/ Assignment	83,056	13.7%
Total	604,450	100.0%

Computed based on FV/ Principal value

^ Based on holding as on Sep 30, 2020

ALM Position and Liability Maturity

All figures in INR billion



Liability Maturity [^]	Oct-20	Nov-20	Dec-20	Q3-FY21	Jan-21	Feb-21	Mar-21	Q4-FY21	Oct 20-Mar 21
Bank Loans	4.1	1.4	9.8	15.3	2.3	3.6	14.1	20.0	35.3
Market Instruments (NCD/ CP)	5.0	5.0	10.0	20.0	6.5	-	8.7	15.2	35.2
Others (FD/ ICD)	1.5	1.5	2.9	5.8	1.4	1.7	1.3	4.4	10.3
Total	10.6	7.8	22.7	41.1	10.2	5.3	24.1	39.6	80.8

Held Cash/ Liquid investments of over INR 85 billion, in addition to undrawn sanctioned lines

[^] excl. Securitisation and as on September 30, 2020

* ALM based on provisional data as on September 30, 2020



Company Overview

Industry Overview

Business Strategy

Financial Information - Standalone

Key Subsidiaries

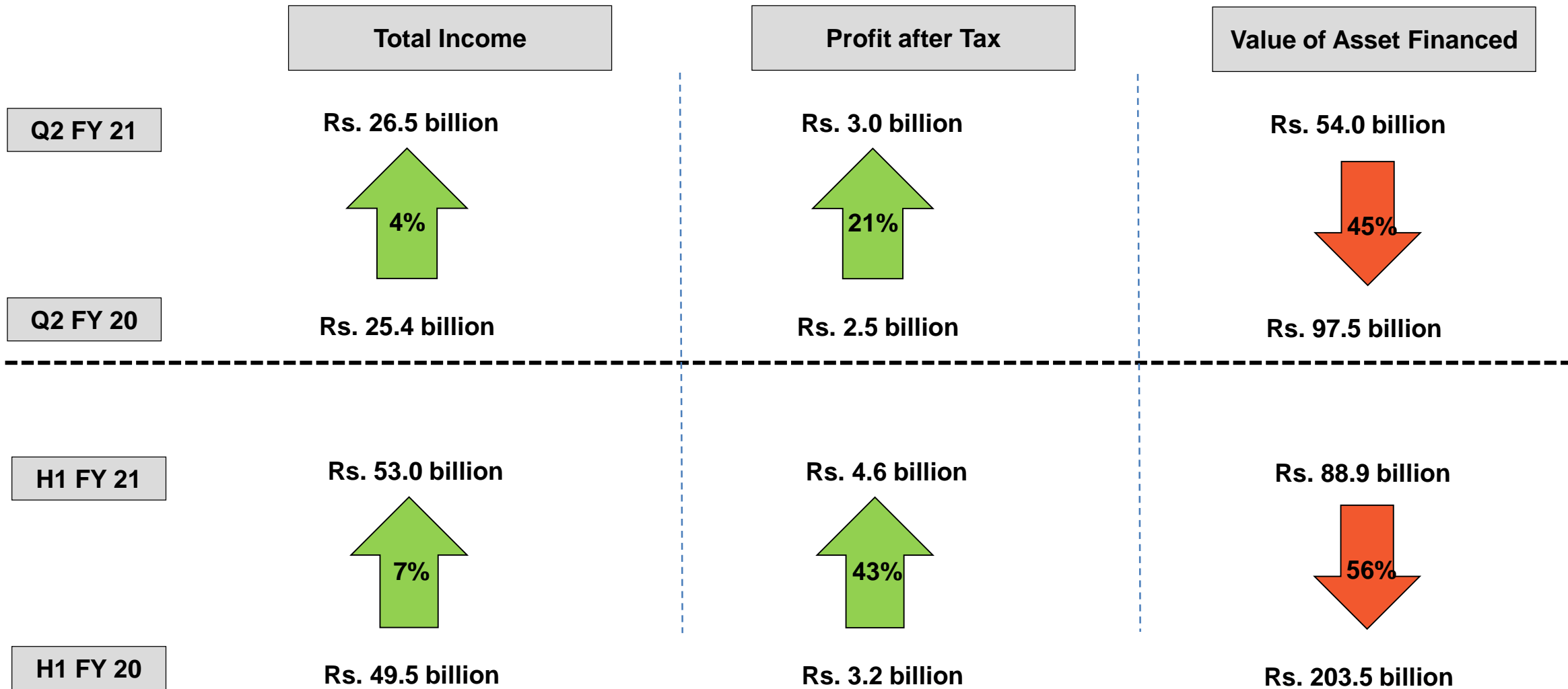
Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

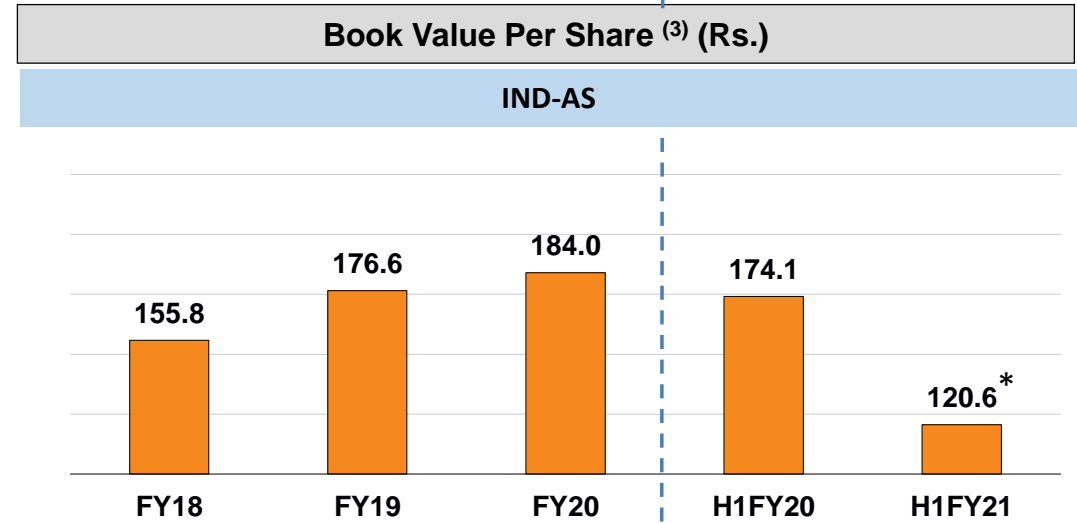
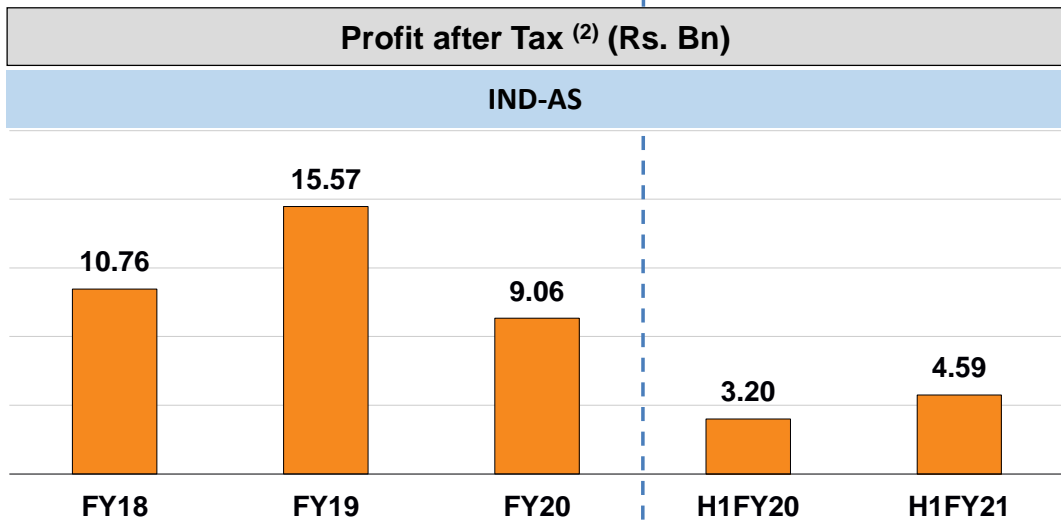
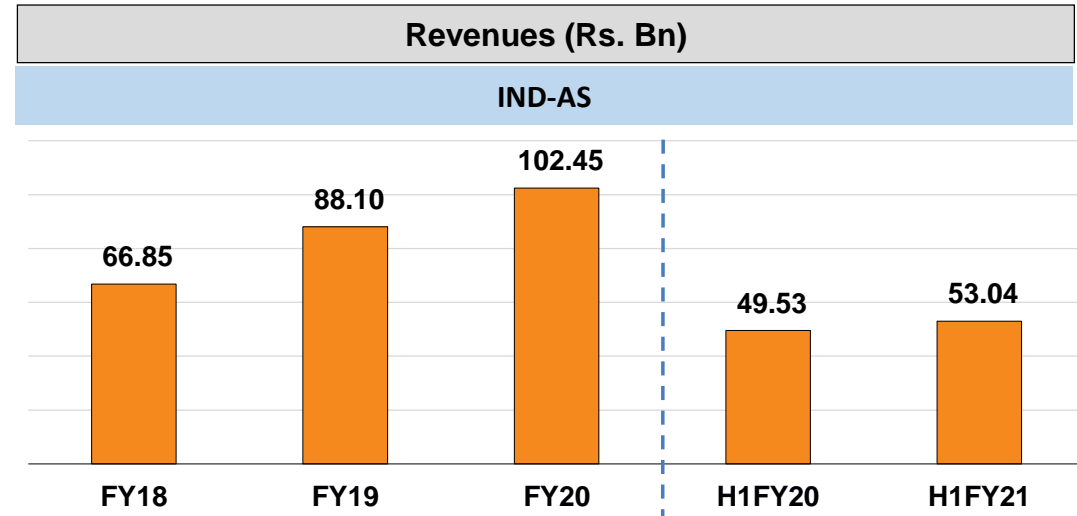
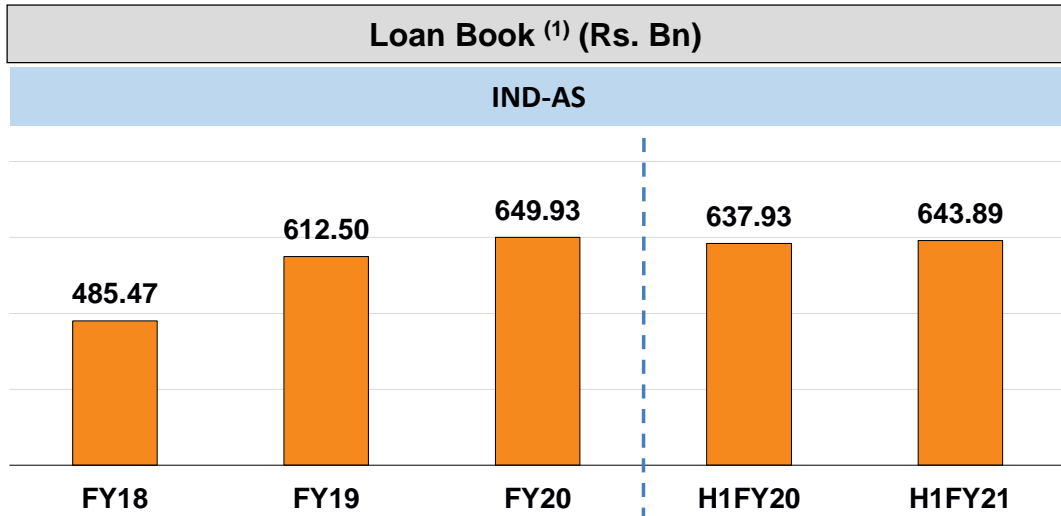
Key Financials

on standalone basis



Growth Trajectory

on standalone basis



Note : ⁽¹⁾ Loan Book net of provisions.

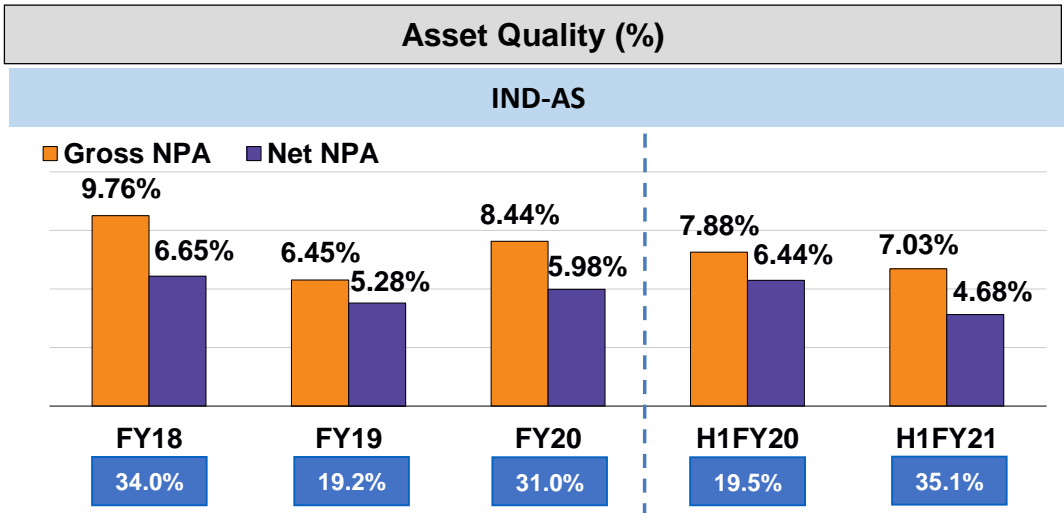
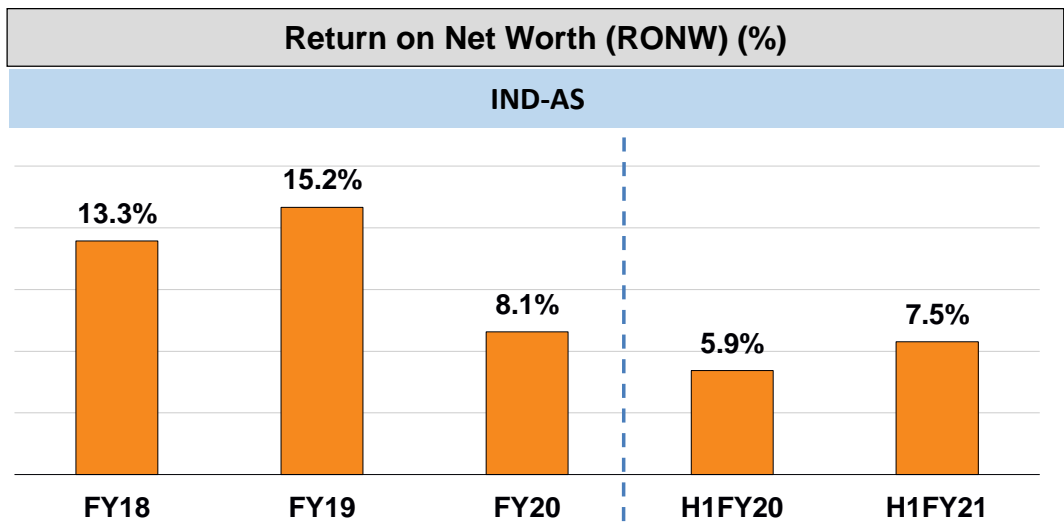
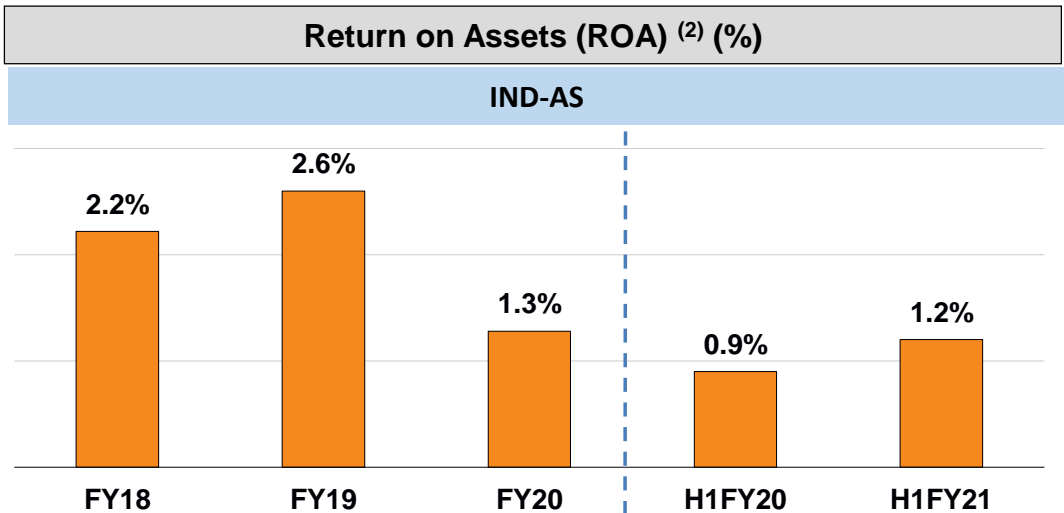
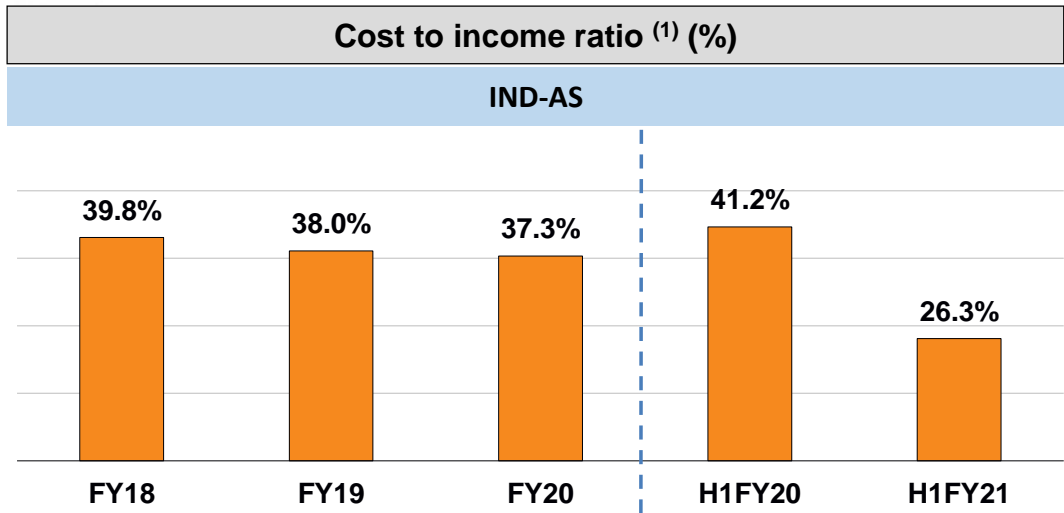
⁽²⁾ PAT post exceptional items.

⁽³⁾ Calculated as Shareholders funds/ Number of shares.

* Book Value per share is after factoring in the Rights Issue undertaken by the Company in Q2FY21 at a price of Rs. 50 per share, in the ratio of 1 Equity share for every 1 Equity share held

Financial Performance

on standalone basis



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

* NPA 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⁾ Calculated based on average total assets

Standalone Profit & Loss Account

Particulars (Rs. in Million)	Q2FY21	Q1FY21	Q-o-Q	Q2FY20	Y-o-Y	FY 20
Revenue from operations (A)	26,129	26,405	-1.0%	24,864	5.1%	100,979
Less: Finance cost (B)	12,216	12,646	-3.4%	12,022	1.6%	48,288
NII (C= A+B)	13,913	13,759	1.1%	12,842	8.3%	52,691
Other Income (D)	366	144	153.6%	545	-32.8%	1,473
Total Income (E=C+D)	14,279	13,903	2.7%	13,387	6.7%	54,164
Employee benefits expense (F)	2,614	2,245	16.4%	2,940	-11.1%	11,484
Other expenses (G)	1,021	896	14.0%	1,897	-46.2%	7,514
Depreciation and amortization (H)	333	315	5.6%	359	-7.3%	1,183
Total Expenses (I=F+G+H)	3,968	3,456	14.8%	5,196	-23.6%	20,181
Pre-Provisioning Operating Profit (J=E-I)	10,311	10,447	-1.3%	8,191	25.9%	33,983
Provisions and write-offs (K) ^	6,194	8,427	-26.5%	3,607	71.8%	20,545
Profit before Exceptional items (L=J-K)	4,117	2,020	103.8%	4,584	-10.2%	13,438
Exceptional Items (M) #	-	61*	-	-	-	-
Profit before Tax (N=L+M)	4,117	2,081	97.9%	4,584	-10.2%	13,438
Tax expense (O)	1,082	523	106.9%	2,066	-47.6%	4,374*
Net Profit after Taxes (P=N-O)	3,035	1,558	94.8%	2,518	20.6%	9,064

^ On account of COVID -19, an additional charge on of Rs. 4,335 million in Q2FY21 has been provided, based on management overlay

On account of sale of shares by the Company in the AMC business to Manulife

* Figures re-grouped and rounded where found relevant

Standalone Profit & Loss Account

Particulars (Rs. in Million)	H1FY21	H1FY20	Y-o-Y	FY20
Revenue from operations (A)	52,534	48,804	7.6%	100,979
Less: Finance cost (B)	24,862	23,304	6.7%	48,288
NII (C= A+B)	27,672	25,500	8.5%	52,691
Other Income (D)	511	730	-30.0%	1,473
Total Income (E=C+D)	28,183	26,230	7.4%	54,164
Employee benefits expense (F)	4,860	6,461	-24.8%	11,484
Other expenses (G)	1,917	3,633	-47.2%	7,514
Depreciation and amortization (H)	648	702	-7.7%	1,183
Total Expenses (I=F+G+H)	7,425	10,796	-31.2%	20,181
Pre-Provisioning Operating Profit (J=E-I)	20,758	15,434	34.5%	33,983
Provisions and write-offs (K) ^	14,621	9,803	49.2%	20,545
Profit before Exceptional items (L=J-K)	6,137	5,631	9.0%	13,438
Exceptional Items (M) #	61	-	-	-
Profit before Tax (N=L+M)	6,198	5,631	10.1%	13,438
Tax expense (O)	1,605	2,429	-33.9%	4,374
Net Profit after Taxes (P=N-O)	4,593	3,202	43.4%	9,064

^ On account of COVID -19, an additional charge on of Rs. 9,102 million in H1FY21 has been provided, based on management overlay

On account of sale of shares by the Company in the AMC business to Manulife

* Figures re-grouped and rounded where found relevant

Standalone Balance Sheet

Particulars (Rs. in Million)	As on Sep 30, 2020	As on Sep 30, 2019	As on Mar 31, 2020
ASSETS			
Financial Asset			
a) Cash and cash equivalents	10,673	4,148	6,768
b) Bank balance other than (a) above	23,415	7,213	7,490
c) Derivative financial instruments	213	116	929
d) Trade Receivables	76	80	86
e) Loans	643,890	637,926	649,935
e) Investments	87,770	40,756	59,110
g) Other Financial Assets	4,530	2,720	4,766
Financial Asset	770,567	692,959	729,084
Non-Financial Asset			
a) Current tax assets (Net)	3,316	5,411	2,400
b) Deferred tax Assets (Net)	5,329	2,219	4,896
c) Property, plant and equipment	3,266	3,167	3,379
d) Other Intangible assets	211	245	256
e) Other non-financial assets	357	653	697
Non-Financial Assets	12,479	11,695	11,628
Total Assets	783,046	704,654	740,712

* Figures re-grouped and rounded where found relevant

Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Sep 30, 2020	As on Sep 30, 2019	As on Mar 31, 2020
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	985	528	402
b) Payables			
i) Trade payables	5,264	7,782	6,063
ii) Other payables	222	252	294
c) Debt Securities	189,546	211,463	177,449
d) Borrowings (Other than Debt Securities)	286,215	241,439	294,873
e) Deposits	94,492	76,465	88,121
f) Subordinated Liabilities	33,462	35,595	34,179
g) Other financial liabilities	21,519	20,626	23,140
Financial Liabilities	631,705	594,150	624,521
Non-Financial liabilities			
a) Current tax liabilities (Net)	139	139	139
b) Provisions	1,519	2,112	1,432
c) Other non-financial liabilities	676	711	981
Non-Financial Liabilities	2,334	2,962	2,552
Equity			
a) Equity Share capital	2,463	1,230	1,231
b) Other Equity	146,544	106,312	112,408
Equity	149,007	107,542	113,639
Total Equities and Liabilities	783,046	704,654	740,712

* Figures re-grouped and rounded where found relevant

Summary & Key Ratios

on standalone basis

Particulars	As per IND-AS		
	Half year ended Sep – 20	Half year ended Sep – 19	Year ended March – 20
RONW (Avg. Net Worth) ^	7.5%	5.9%	8.1%
Debt / Equity	4.05:1	5.25:1	5.23:1
Capital Adequacy	25.1%	19.7%	19.6%
Tier I	20.8%	15.2%	15.4%
Tier II	4.3%	4.5%	4.2%
EPS (Basic) (Rs.)	5.99	5.21	14.74
Book Value (Rs.)	120.6	174.1	184.0
New Contracts During the period (Nos.)	135,625	357,268	757,463
No. of employees	21,135	22,304	21,862

^ Average Net-Worth computed based on the period for which the Rights Issue proceeds is utilised

* Figures re-grouped and rounded where found relevant

Spread Analysis

on standalone basis

Particulars	As per IND-AS		
	Half year ended Sep – 20	Half year ended Sep – 19	Year ended March – 20
Total Loan Income / Average Business Assets	14.8%	14.6%	14.9%
Total Income / Average Assets	13.9%	14.4%	14.5%
Interest / Average Assets	6.5%	6.8%	6.8%
Gross Spread	7.4%	7.6%	7.7%
Overheads / Average Assets	2.0%	3.1%	2.9%
Write offs & NPA provisions / Average Assets	3.8%	2.9%	2.9%
Net Spread	1.6%	1.6%	1.9%
Net Spread after Tax	1.2%	0.9%	1.3%

Cost of excess Liquidity maintained in the Balance Sheet has led to reduction in Gross Spread, partially offset through reduction in Interest costs

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

NPA Analysis

on standalone basis

Particulars (Rs. in Million) except figures in %	As on Sep 30, 2020	As on Sep 30, 2019	Mar 31, 2020
Business Assets (including Provisions)	677,732	660,584	680,890
Gross NPA (Stage 3)	47,668	52,038	57,467
Less: ECL Provisions (Stage 3)	16,730	10,172	17,802
Net NPA (Stage 3)	30,938	41,866	39,665
Gross NPA as % of Business Assets (Stage 3)	7.03%	7.88%	8.44%
Net NPA as % of Business Assets (Stage 3)	4.68%	6.44%	5.98%
Coverage Ratio (%) – based on Stage 3 ECL	35.1%	19.5%	31.0%
Stage 1 & 2 provision to Business Assets (%)	2.5%	1.9%	1.9%
Coverage Ratio (%) – including Stage 1 & 2 provision	70.9%	43.6%	53.8%
Particulars (in units) except figures in %	As on Sep 30, 2020	As on Sep 30, 2019	As on Mar 31, 2020
Contracts under NPA (90 dpd)	105,000	128,096	131,597
% of Live Cases under NPA	4.1%	5.2%	5.0%
Repossessed Assets (out of above NPA)	6,616	12,866	14,382

Comparison of IRACP and IND-AS Provisioning requirement			Rs. in million
Provisioning (as on 30 th September 2020)	IRACP (A)	IND-AS (B)	Difference (B-A)
Stage 1 and Stage 2	6,358	17,051	10,693
Stage 3	21,779	16,730	-5,049
Total	28,137	33,781	5,644

* Figures re-grouped and rounded where found relevant

Impact of Supreme Court order and Covid-19 Management overlay

on standalone basis

Impact of Supreme Court Order pertaining to non-classification of overdue accounts under moratorium as NPA

Particulars	Without reclassification			After reclassification & as reported			Reclassified Assets ^		
	Count	Amount	%	Count	Amount	%	Count	Amount	%
Stage - 3 Assets	113,059	51,016	7.53%	105,000	47,668	7.03%	8,059	3,348	0.50%
Stage - 2 Provisions for reclassified assets								344	Already held
								1,136	Further provided in Q2
Stage - 3 Provisions		18,210			16,730				
Net Stage - 3 Assets		32,806	4.97%		30,938	4.68%		1,868	

^ Though these accounts has not been classified as NPA, appropriate provisions as per Stage -3 has been made in accordance with ECL policy

Cumulative Covid-19 Management Overlay

Particulars (Rs. in Million)	As on Mar 31, 2020	As on Jun 30, 2020	As on Sep 30, 2020
Stage – 1	575	704	709
Stage – 2	422	365	4,274
Stage – 3	4,743	9,439	9,859
Total	5,740	10,508	14,842

* Figures re-grouped and rounded where found relevant



Company Overview

Industry Overview

Business Strategy

Financial Information - Consolidated

Key Subsidiaries

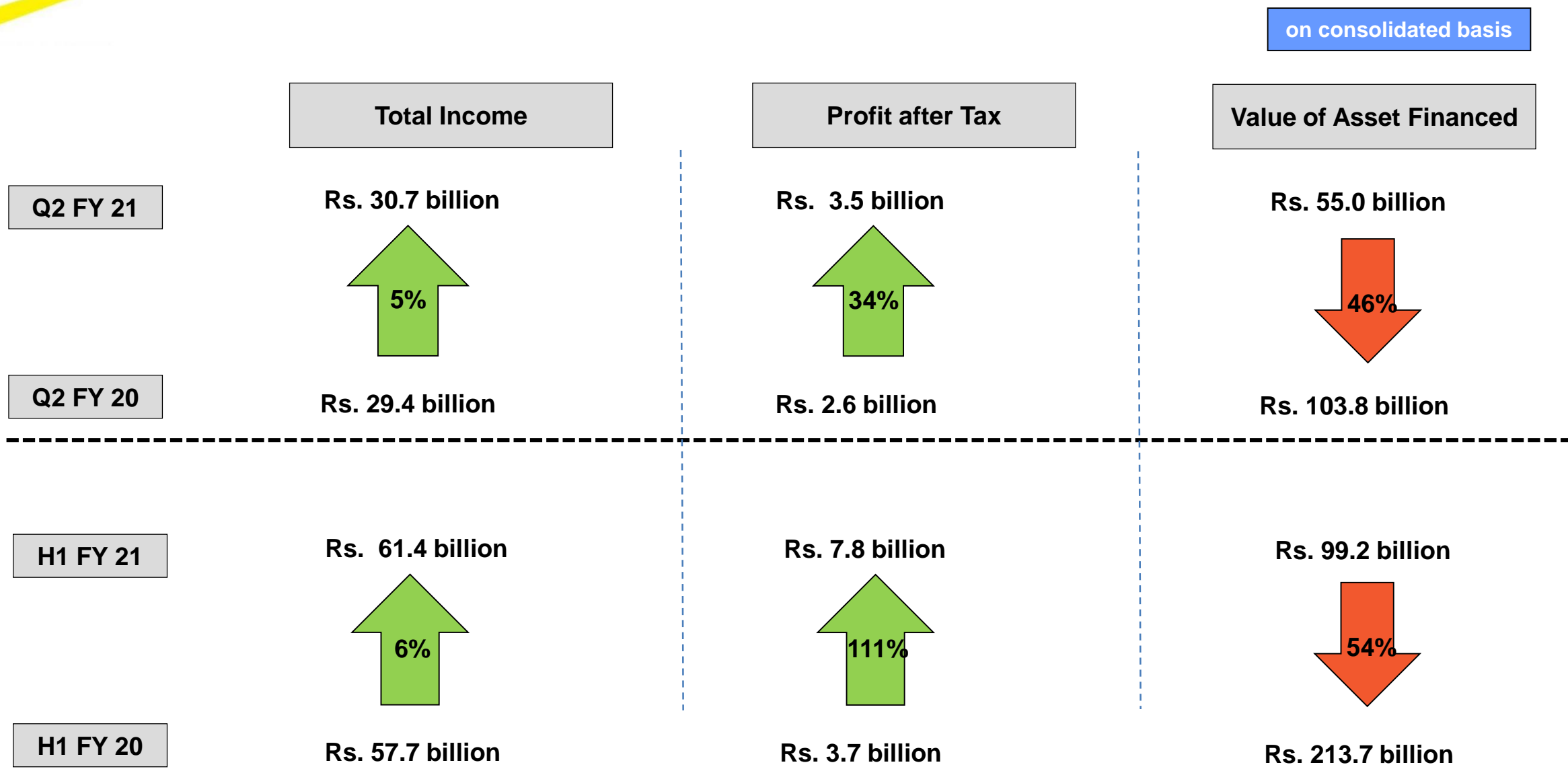
Awards & Accolades

Risk Management Policies

Transforming rural lives across the country

Key Financials

on consolidated basis



Consolidated Profit & Loss Account

Particulars (Rs. in Million)	Half year ended Sep – 20	Half year ended Sep – 19	Y-o-Y	FY20
Revenue from operations (A)	60,917	57,358	6.2%	118,830
Less: Finance cost (B)	27,697	26,085	6.2%	53,906
NII (C= A+B)	33,220	31,273	6.2%	64,924
Other Income (D)	475	391	21.5%	1,135
Total Income (E=C+D)	33,695	31,664	6.4%	66,059
Employee benefits expense (F)	6,502	8,867	-26.7%	16,098
Other expenses (G)	2,654	4,761	-44.3%	9,741
Depreciation and amortization (H)	774	846	-8.6%	1,469
Total Expenses (I=F+G+H)	9,930	14,474	-31.4%	27,308
Pre-Provisioning Operating Profit (J=E-I)	23,765	17,190	38.2%	38,751
Provisions and write-offs (K) ^	16,147	10,769	49.9%	23,190^
Profit before Exceptional/ share of associates(L=J-K)	7,618	6,421	18.6%	15,561
Exceptional items (M) #	2,285	-	-	-
Share of Profit of Associates (N)	10	248	-96.0%	459
Profit before taxes (O= L+M+N)	9,913	6,669	48.6%	16,020
Tax expense (P)	2,067	2,948*	-29.9%	5,162*
Net Profit after Taxes (Q=O-P)	7,846	3,721	110.9%	10,858

^ On account of COVID -19, **an additional charge on of Rs. 2,816 million in Q2FY21 and Rs. 9,461 million in H1FY21** has been provided, based on management overlay

On account of sale of shares by the Company in the AMC business to Manulife

* Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Sep 30, 2020	As on Sep 30, 2019	As on Mar 31, 2020
ASSETS			
Financial Asset			
a) Cash and cash equivalents	26,069	4,447	7,826
b) Bank balance other than (a) above	25,626	7,213	7,490
c) Derivative financial instruments	213	116	929
d) Trade Receivables	388	624	529
e) Loans	718,742	718,054	728,638
f) Investments	88,334	36,349	53,404
g) Other Financial Assets	4,889	3,175	5,198
Financial Asset	864,261	769,978	804,014
Non-Financial Asset			
a) Current tax assets (Net)	3,832	5,921	2,578
b) Deferred tax Assets (Net)	5,832	2,646	5,788
c) Property, plant and equipment	3,989	4,137	4,278
d) Intangible assets under development	13	12	6
e) Other Intangible assets	228	266	276
f) Other non-financial assets	587	850	986
Non-Financial Assets	14,481	13,832	13,912
Total Assets	878,742	783,810	817,926

* Figures re-grouped and rounded where found relevant

Consolidated Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Sep 30, 2020	As on Sep 30, 2019	As on Mar 31, 2020
LIABILITIES AND EQUITY			
Financial Liabilities			
a) Derivative financial instruments	985	528	402
b) Payables			
i) Trade payables	6,744	9,081	6,932
ii) Other payables	222	252	296
c) Debt Securities	219,555	234,027	197,446
d) Borrowings (Other than Debt Securities)	329,657	282,154	333,271
e) Deposits	93,994	76,207	87,814
f) Subordinated Liabilities	37,564	38,228	37,811
g) Other financial liabilities	27,941	27,190	29,942
Financial Liabilities	716,662	667,667	693,914
Non-Financial liabilities			
a) Current tax liabilities (Net)	174	139	174
b) Provisions	2,021	2,729	2,114
c) Other non-financial liabilities	774	827	1,137
Non-Financial Liabilities	2,969	3,695	3,425
Equity			
a) Equity Share capital	2,463	1,230	1,231
b) Other Equity	155,736	110,401	118,459
c) Non-controlling interests	912	817	897
Equity (incl attributable to minority investors)	159,111	112,448	120,587
Total Equities and Liabilities	878,742	783,810	817,926

* Figures re-grouped and rounded where found relevant

Mahindra Rural Housing Finance Limited

Accounting Basis	As per IND-AS		
	Particulars (Rs. million) except figures in %	Half Year ended September – 20	Half Year ended September – 19
Loans disbursed	1,057	10,280	18,764
No. of Customer Contracts (nos.)	3,064	52,663	95,523
Loans & Advances (net)	74,852	80,127	78,701
Total income	7,624	7,335	15,276
PBT	1,394	1,021	2,056
PAT*	1,051	575	1,486
Net-worth	13,547	11,552	12,481
Gross NPA (Stage 3)	13.26%	16.37%	15.13%
Net NPA % (Stage 3)	9.48%	13.40%	10.75%

- **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

* As on September 30, 2020, there is a cumulative management overlay of Rs. 1,904 million on account of COVID -19 pandemic

Mahindra Insurance Brokers Limited

Accounting Basis	As per IND-AS		
Particulars (Rs. million)	Half year ended Sep – 20	Half year ended Sep – 19	Year ended March – 20
No. of Policies for the Period (nos.)	534,157	1,092,146	2,233,711
Net Premium	6,873	9,018	20,791
Total income	1,013	1,578	3,369
PBT	77	235	739
PAT	56	169	534
No. of employees (nos.)	1,145	1,175	1,180

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

Awards and Accolades

- Awarded the Indian Oil Logistics Award **CV Financer** of the Year 2019;
- Awarded the 1st position for **Excellence in Cost Management – 2018** at the 16th National Awards for “Excellence in Cost Management – 2018” in Banking, Financial Services and Insurance Category;
- Awarded the **IDF CSR Award 2019** for participation in Resource Mobilization for Humanitarian Causes;
- Recognized as the only Financial Institute from India to be in the **Dow Jones Sustainability Index** for Emerging Markets category, for 7th year in a row.;
- Ranked 6th amongst “**Best Large Workplaces in Asia 2020**”, by Great Place to Work[®] Institute;
- Awarded ‘**Best Employer**’ by **Aon Best Employers – India 2019** programme;
- Included in the renowned **FTSE4Good Index Series** for 2nd time in a row;



Mahindra & Mahindra Financial Services Limited

For inspiring trust among your people, instilling pride in them, creating an environment that promotes camaraderie, and delivering a great workplace experience for all your employees that makes your organization one among

India's 25 Best Workplaces in BFSI - 2020

A handwritten signature in black ink.

Prasenjit Bhattacharya
Chief Executive Officer
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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;

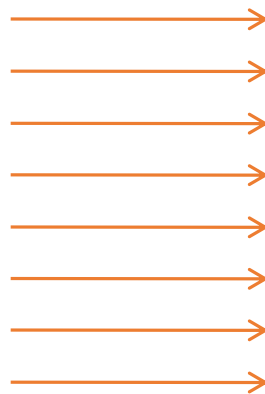
EAD – Exposure at Default

**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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