

5th July, 2017

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

Scrip Code : 532720

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

Dear Sir,

Sub: Brokers / Analysts' Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], we are enclosing the presentation to be made to the Brokers/Analysts in respect of the Public Issue of Unsecured Subordinated Redeemable Non-Convertible Debentures ("NCDs") of the face value of Rs. 1,000 each for an amount of Rs.25,000 lakhs with an option to retain Oversubscription upto Rs. 1,75,000 lakhs aggregating upto Rs. 2,00,000 lakhs ("Tranche 1 Issue").

The presentation is also being uploaded on the website of the Company at the URL: <http://www.mahindrafinance.com/announcements.aspx> 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

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a



Public Issue of Unsecured Subordinated Redeemable Non Convertible Debentures



Wednesday, July 05, 2017

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

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CIN - L65921MH1991PLC059642

Disclaimer

Mahindra & Mahindra Financial Services Limited is subject to market conditions and other considerations, proposing a public issue of unsecured subordinated redeemable non-convertible debentures (“NCDs”) and has filed the Shelf Prospectus dated June 29, 2017 and Tranche 1 Prospectus dated June 29, 2017 with the Registrar of Companies, Maharashtra, Mumbai, BSE Limited and SEBI (for record purposes).

The Shelf Prospectus dated June 29, 2017 and Tranche 1 Prospectus dated June 29, 2017 are available on our website at www.mahindrafinance.com on the website of the stock exchange at www.bseindia.com and the respective websites of the lead managers at www.edelweissfin.com, www.axisbank.com, www.akcapindia.com, www.trustgroup.co.in and www.yesinvest.in

Investors proposing to participate in the Issue should invest only on the basis of information contained in the Shelf Prospectus dated June 29, 2017 and Tranche 1 Prospectus dated June 29, 2017.

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Public Issue of Unsecured Subordinated Redeemable Non Convertible Debentures

The Promoter

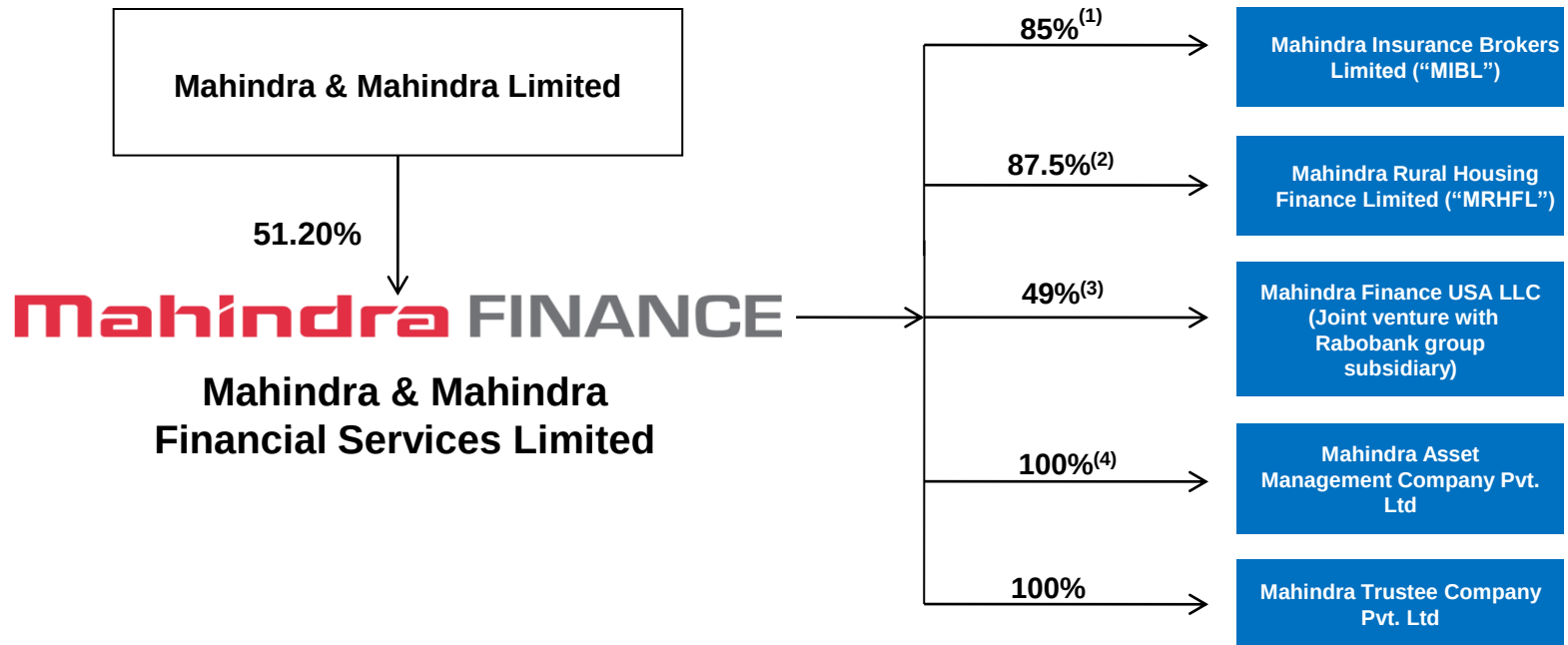
- Incorporated on October 2, 1945, Mahindra & Mahindra Limited (“M&M”) is one of the largest business conglomerates in India having a strong presence in utility vehicles, tractors, information technology, financial services, aerospace, real estate, hospitality and logistics sectors.
- M&M has been selling automotive and farm equipment primarily in semi-urban and rural markets.
- M&M, the flagship company of the Mahindra group, was included by Forbes in its ‘Global 2000’ list for 2014, a comprehensive listing of the world’s largest, most powerful public companies as measured by revenue, profits, assets and market value.





- Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of M&M
- One of India’s leading non-banking finance companies focused on customers primarily in the rural and semi-urban sector of India.
- Primarily in the business of financing purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipments and SME financing.
- Has 1,182 offices covering 27 states and 4 union territories in India, as of March 31, 2017.

Corporate Structure

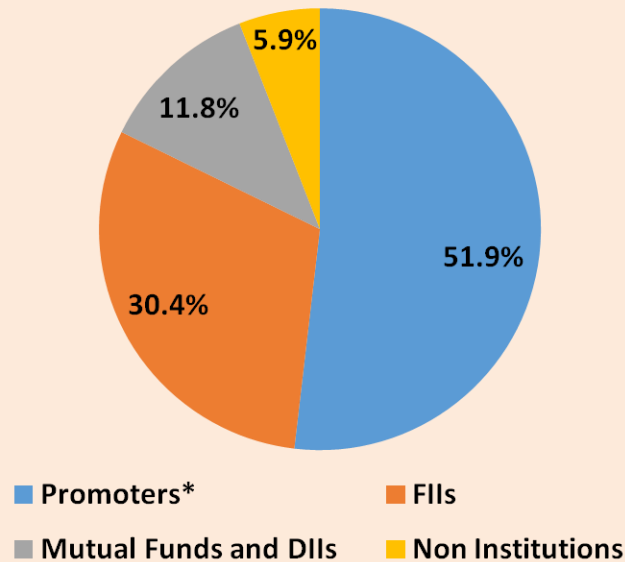


Notes:

1. MIBL is engaged in the business of direct insurance broking in the life and non-life insurance businesses. Inclusion resources Pvt. Ltd., a subsidiary of Leapfrog Financial Inclusion Fund, incorporated in Singapore, holds 15% of equity shares of MIBL.
2. MRHFL is engaged in the business of extending loans to customers for housing needs. The National Housing Bank (NHB) holds 12.5% of the equity share of MRHFL.
3. MF USA is engaged in the business of providing wholesale inventory-financing to dealers and retail-financing to customers in the United States for purchase of Mahindra group products.
4. Mahindra Asset Management Company Private Limited is the asset management company of "Mahindra Mutual Fund". The maiden fund of the Mahindra Mutual Fund – Mahindra Liquid Fund received approval from SEBI on 20 June 2016 and was launched on 4 July 2016.

Shareholding Pattern (as on 31st March 2017)

Shareholding Pattern Chart



* Mahindra & Mahindra Limited holds a stake of 51.2% in the Company. ESOP trust holds the balance 0.7%

Top 10 Public Shareholders

- Franklin Templeton Investment Funds
- Aranda Investments (Mauritius) Pte Ltd
- Valiant Mauritius Partners Offshore Limited
- Amansa Holdings Private Limited
- Life Insurance Corporation of India
- Bank Muscat India Fund
- Valiant Mauritius Partners Limited
- Vanguard Emerging Markets Stock Index Fund (A series of Vanguard International Equity Index Fund)
- Merrill Lynch Markets Singapore Pte. Ltd.
- HDFC Standard Life Insurance Company

Experienced Board of Directors



Mr. Dhananjay Narendra Mungale
Chairman and Independent Director

- He has been associated with the Company for a period of over 17 years.



Mr. Piyush Mankad
Independent Director

- He has been associated with our Company for a period of over 11 years. Mr. Piyush G. Mankad joined Indian Administrative Service in 1964.



Mr. Ramesh Iyer
Vice Chairman and Managing Director

- Vice Chairman and Managing Director since April 30, 2016
- Associated with the company since inception
- Recipient of the award “CEO – Financial Services” at the CEO Awards 2015 organized by CEO India magazine on March 12, 2015.



Mr. M. G. Bhide
Independent Director

- He has been associated with our Company for a period of over 16 years.



Mr. V Ravi
Executive Director and Chief Financial Officer

- In 2015, he has been recognized as the “Most Influential CFO in India” by the Chartered Institute of Management Accountants.
- He was also awarded the “CFO100 League of Excellence 2015” award by CFO 100.

Experienced Board of Directors



Mr. Chandrashekhar Bhawe
Independent Director

- Mr. Bhawe was the Chairman of SEBI, India's capital markets regulator, from 2008 to 2011.
- He was also the Chairman of the Asia-Pacific Regional Committee of the International Organisation of Securities Commissions (IOSCO).



Mr. V. S. Parthasarathy
Non-executive and Non-Independent director

- Has received Best CFO of India Award by Corporate Excellence Awards
- Also received Award for Innovation & Excellence for 'Treasury Transformation' from TMI in 2014, CFO Innovation Asia Award 2014 for Excellence in Mergers & Acquisitions



Mrs. Rama Bijapurkar
Independent Director

- She has several publications on the emerging market and consumer related issues.
- She is also visiting faculty of the Indian Institute of Management, Ahmedabad.



Dr. Anish Shah
Non-executive and Non-Independent director

- He was the former President and Chief Executive Officer of GE Capital India.
- Dr. Anish Shah also holds a PhD in Industrial Administration (Accounting) from Carnegie Mellon University, Pennsylvania.

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, Other Vehicles including two-wheelers & three weehlers	
SME Financing	Loans for varied purposes like project finance, equipment finance and working capital finance	
Personal Loans and Gold loans	Offers personal loans typically for weddings, children's education, medical treatment and working capital for a small or medium sized enterprise	
Insurance Broking	Insurance solutions to retail customers as well as corporations through our subsidiary MIBL	
Housing Finance	Loans for buying, constructing, renovating and extending homes in rural and semi-urban India through our subsidiary MRHFL	
Mutual Fund & AMC	Asset Management Company to 'Mahindra Mutual Fund', which is registered with SEBI	

Break down of estimated Total value of Assets Financed

Asset Class	Year ended March – 17	Year ended March – 16	Year ended March – 15
Auto/ Utility vehicles	28%	30%	33%
Tractors	19%	15%	18%
Cars	22%	22%	22%
Commercial vehicles and Construction equipments	11%	11%	9%
Pre-owned vehicles	13%	16%	15%
SME and Others	7%	6%	3%

* Standalone

Broad Based Liability Mix

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

Funding Mix by type of Instrument (Mar' 17)

Instrument Type	Amount (INR mn.)	% Share
NCDs	153,912	44%
Retail NCDs	10,000	3%
Bank Loans	96,892	27%
Fixed Deposits	43,830	12%
CP, ICD	42,070	12%
Securitisation/ Assignment	8,203	2%
Total	354,907	100%

Credit Ratings

Highest safety credit rating and strong brand equity enables MMFSL to borrow funds at competitive rates

Credit Rating	India Ratings	Outlook
Long Term and Subordinated Debt	IND AAA	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	CRISIL AA+	Stable

Competitive Strengths

Over 20 years of operating experience primarily in rural and semi-urban markets

Extensive network of 1,182 offices spanning across 27 states and 4 union territories

Streamlined approval and administrative procedures and effective use of technology

History of strong customer and dealer relationships

Mahindra Group is one of the largest business conglomerates in India and has a strong presence in utility vehicles, tractors, information technology, financial services, aerospace, real estate, hospitality and logistics sectors

Cost-effective debt financing due to our strong brand equity, stable credit history, superior credit ratings and conservative risk management policies

Experienced management team, which is supported by a capable and motivated pool of employees.

Business Strategy

Focus on the rural and semi-urban areas to grow our market share

Expand branch network

Leverage existing customers base through direct marketing initiatives

Diversify product portfolio

Continuing to attract, train and retain talented employees

Effective use of technology to improve productivity

Expanding customer base and strengthening relationships with dealers

Key Risks & Management Strategies

Key Risks

Credit Risk

Interest Rate Risk

Operational Risk

Liquidity Risk Profiles

Cash Management Risk

Foreign Exchange Risk

Asset Risk

Management Strategies

Cash Flow Analysis, Setting Credit Limits, Obtaining Collateral

Asset Liability Management Policy, Interest Rate Swaps

Comprehensive system of internal controls, Internal Audits

Categorizing all assets and liabilities into different Maturity

Advanced cash management checks, regular audits

Fully hedged foreign currency FCNR(b) borrowings

Strong Repossession and Disposal Capabilities

Standalone Profit & Loss Account

Particulars (Rs. in Million)	FY 17	FY 16	FY 15
Revenue from operations	61,739	58,532	55,361
Less: Finance cost	28,574	26,393	24,967
NII	33,165	32,139	30,394
Other Income	636	519	486
Total Income	33,801	32,658	30,880
Employee benefits expense	6,809	5,588	4,591
Provisions and write Offs	13,091	10,495	8,275
Other expenses	7,240	5,784	5,062
Depreciation and amortization	460	409	415
Total Expenses	27,600	22,276	18,343
Profit before tax	6,201	10,382	12,537
Tax expense	2,199	3,656	4,219
Net Profit after Taxes	4,002	6,726	8,318

Standalone Balance Sheet

Particulars (Rs. in Million)	As on Mar 31, 2017	As on Mar 31, 2016	As on Mar 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,130	1,129	1,128
b) Reserves and Surplus	63,642	59,752	55,566
Shareholders' funds	64,772	60,881	56,694
Non-current liabilities			
a) Long-term borrowings	214,537	173,317	1,47,871
b) Other Long-term liabilities	4,274	4,326	3,025
c) Long term provisions	5,489	4,482	3,280
Non-current liabilities	224,300	182,125	1,54,176
Current liabilities			
a) Short Term Borrowings	58,648	43,469	48,710
b) Trade payables	6,630	4,789	4,779
c) Other current liabilities	89,335	89,462	74,876
d) Short term provisions	16,167	15,069	11,506
Current liabilities	170,780	152,789	1,39,871
Total Equities and Liabilities	459,852	395,795	3,50,741

Standalone Balance Sheet (Contd.)

Particulars (Rs. in Million)	As on Mar 31, 2017	As on Mar 31, 2016	As on Mar 31, 2015
ASSETS			
Non-current assets			
a) Fixed Assets	1,120	1,135	1,100
b) Non-current investments	13,117	9,923	7,599
c) Deferred tax assets (Net)	7,317	5,853	4,153
d) Long-term loans and advances	222,599	185,265	1,70,697
e) Other non-current assets	1,122	518	2,320
Non-current assets	245,275	202,694	1,85,869
Current assets			
a) Current investments	5,778	4,910	937
b) Trade receivables	58	51	57
c) Cash and cash equivalents	5,780	5,852	4,759
d) Short-term loans and advances	202,635	181,351	1,58,636
e) Other current assets	326	937	483
Current assets	214,577	193,101	1,64,872
Total Assets	459,852	395,795	3,50,741

* Figures re-grouped where found relevant

Key Subsidiaries

Mahindra Rural Housing Finance Limited (“MRHFL”)

- In October 2007, MMFSL commenced its housing finance business through its subsidiary MRHFL
- MRHFL is engaged in the business of extending loans to customers for housing needs
- National Housing Bank holds 12.5% of the equity shares of MRHFL
- During Fiscal 2017, MRHFL disbursed loans worth Rs. 21,162Mn and achieved a PAT of Rs. 830Mn

Mahindra Insurance Brokers Limited (“MIBL”)

- MIBL is engaged in the business of direct insurance broking in the life and non-life insurance businesses. Since they have “composite broking license” they are allowed to undertake broking of reinsurance products as well
- MIBL also offers customized insurance solutions such as Mahindra Loan Suraksha, which provides group credit term cover to MMFSL’s retail loan customers, typically in rural and semi-urban markets
- During Fiscal 2017, MIBL earned an income of Rs. 1742Mn and achieved a profit after tax of Rs. 530Mn



Public Issue of Unsecured Subordinated Redeemable Non Convertible Debentures

The Issue

Issue Highlights

Issuer	Mahindra & Mahindra Financial Services Limited
Issue Size	Rs. 250 crores with an option to retain oversubscription upto Shelf Limit of Rs. 2,000 crores
Instrument	Unsecured Subordinated Redeemable Non-Convertible Debentures ("NCDs")
Credit Rating	"IND AAA Outlook:Stable" by India Ratings & "BWR AAA" Outlook:Stable by Brickwork Ratings indicating highest degree of safety regarding timely servicing of financial obligations and lowest credit risk
Listing	Proposed on BSE

Issue Structure

ISSUE STRUCTURE			
Option/Series	I	II	III
Nature of NCDs	Unsecured		
Who can Apply	<u>All categories of investors (Category I, II, III and IV)</u>		
Issue Price per NCD	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
Frequency of Interest	Annual	Annual	Annual
Tenor	7 Years	10 Years	15 Years
Put/Call Option	N.A.	N.A.	Call option may exercised after 10 years from Deemed Date of Allotment. If exercised the redemption date shall be 10 years from Deemed Date of Allotment or such date for exercising the call option as intimated by our Company
Coupon Rate (% p.a.) for :			
Category I & II ("QIB" & "Corporate")	7.75%	7.90%	7.95%
Category III & IV ("HNI" & "Retail")	7.85%	8.00%	8.05%
Effective Yield (% p.a.) for :			
Category I & II ("QIB" & "Corporate")	7.76%	7.91%	7.95%
Category III & IV ("HNI" & "Retail")	7.86%	8.01%	8.05%
Step up/ Step down interest rates	No Step up/ Step down option available for NCDs.		

Eligible Investors

Category I	Category II Investors	Category III Investors	Category IV Investors
Institutional Investors	Non Institutional Investors	High Net-worth Individuals ("HNIs") Investors	Retail Individual Investors
Public financial institutions, Scheduled commercial banks, Indian multilateral and bilateral Development financial institution which are authorised to invest in the NCDs	Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;	Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10.00 lakhs across all series of NCDs in Issue	Resident Indian individuals and HUFs through the Karta applying for an amount aggregating for an amount up to and including Rs. 10 Lacs, across all Series of NCDs
Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs	Public/private charitable/religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;		
Venture Capital Funds/ Alternative Investment Fund registered with SEBI	Co-operative banks and Regional Rural Banks;		
Insurance Companies registered with IRDA; State industrial development corporations;	Partnership firms in the name of the partners; LLPs		
Insurance funds set up and managed by the army, navy, or air force of the Union of India and Department of Posts;	Association of Persons; and		
Systemically Important NBFCs , a NBFC registered with the RBI and having a net-worth of more than five hundred crore rupees as per the last audited financial statements	Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);		
National Investment Fund; and Mutual Funds	Any other incorporated and/ or unincorporated body of persons		

Salient Features

- **NCDs in dematerialized form**
- **Axis Trustee Services Limited appointed as Debenture Trustee**
- **Creation of Debenture Redemption Reserve of 25% of the outstanding value of NCDs** (subject to the Company generating adequate profits every year, until such NCDs are redeemed)
- **Allocation on first come first serve basis**
- **Priority in case of undersubscription:**

Category of Investors		Allocation Ratio	Priority in case of undersubscription in any Investor Category(ies)
Category I Investors	Institutional Investors	20%	4th
Category II Investors	Non Institutional Investors	10%	3rd
Category III Investors	High Net worth Individuals	35%	2nd
Category IV Investors	Retail Individual Investors	35%	1st

Issue Team

Lead Managers



Edelweiss Financial Services Limited



Axis Bank Limited



A. K. Capital Services Limited



Trust Investment Advisors Private Limited



YES Securities (India) Limited

Registrar



Karvy Computershare Private Limited

Debenture Trustee



Axis Trustee Services Limited

Stock Exchange



BSE Limited

Consortium Members

Edelweiss Securities Limited

Axis Capital Limited

A. K. Stockmart Private Limited

Trust Financial Consultancy Services Private Limited

YES Securities India Limited

