

Mahindra FINANCE

Mahindra & Mahindra
Financial Services Ltd.
Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India

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21st January, 2016

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: Investors / 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 herewith the presentation to be made to the Investors/Analysts on the Financial Results of the Company for the third quarter and nine months ended 31st December, 2015.

The presentation is also being uploaded on the website of the Company at the URL <http://www.mahindrafinance.com/analyst-presentations.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



Mahindra & Mahindra Financial Services Limited

Quarter Result Update DECEMBER - 2015

Corporate Office:
Mahindra Towers, 4th Floor,
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CIN - L65921MH1991PLC059642

Company overview

*Transforming rural lives
across the country*

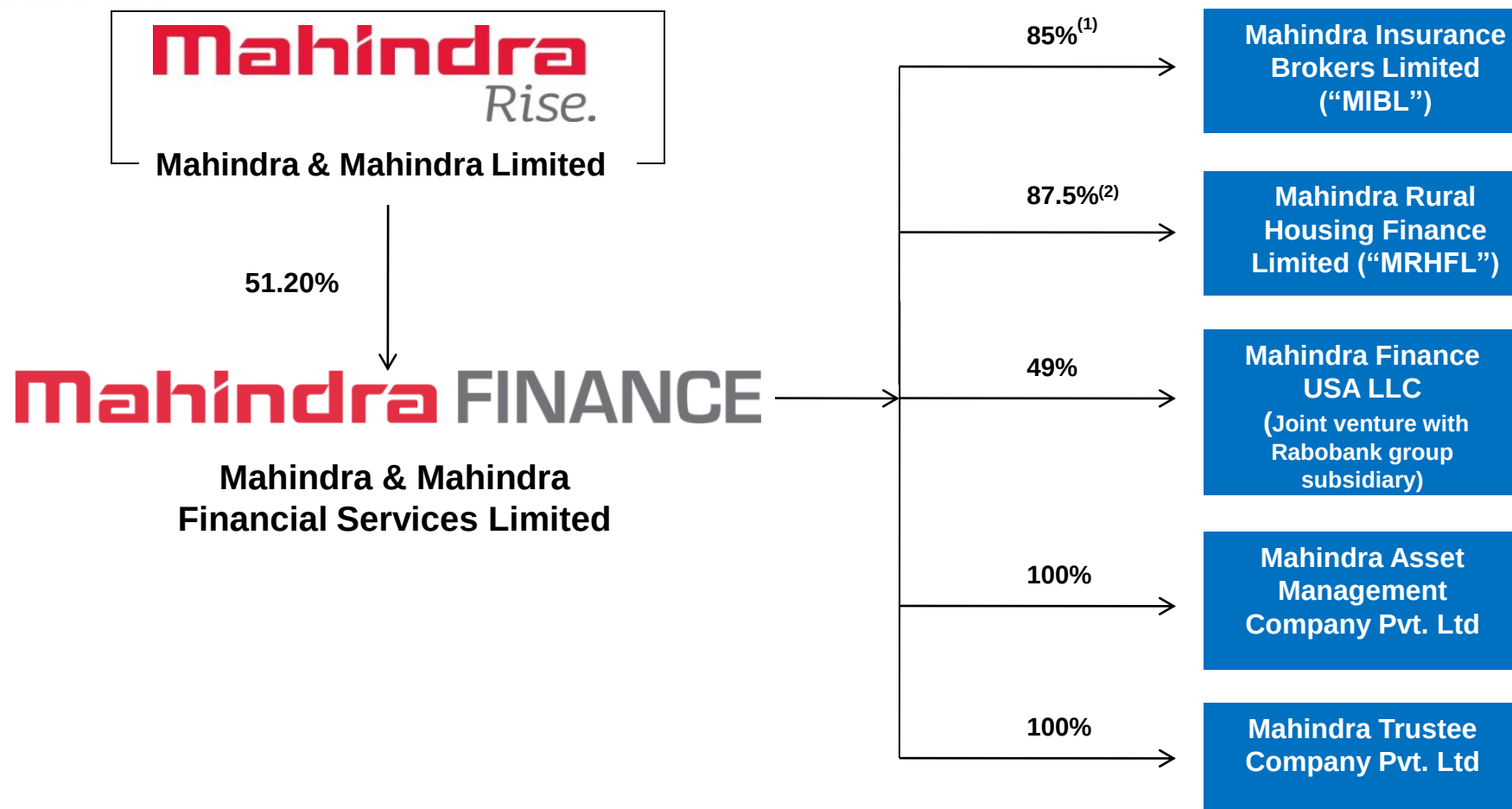


Background

- Mahindra & Mahindra Financial Services Limited (“MMFSL”) is a subsidiary of Mahindra and Mahindra Limited (*Mcap: Rs 715 billion*)*, one of India’s leading tractor and utility vehicle manufacturers
- MMFSL (*Mcap: Rs 125 billion*)* is one of India’s leading non-banking finance companies focused in the rural and semi-urban sector
- 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
- MMFSL’s vision is to be a leading provider of financial services in the rural and semi-urban areas of India
- Has 1179 offices covering 25 states and 5 union territories in India, with over 4.0 million customer contracts since inception, as of December 31, 2015
- India Ratings has assigned AAA(ind)/Stable, CARE Ratings has assigned AAA, 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 January 20, 2016 from BSE website

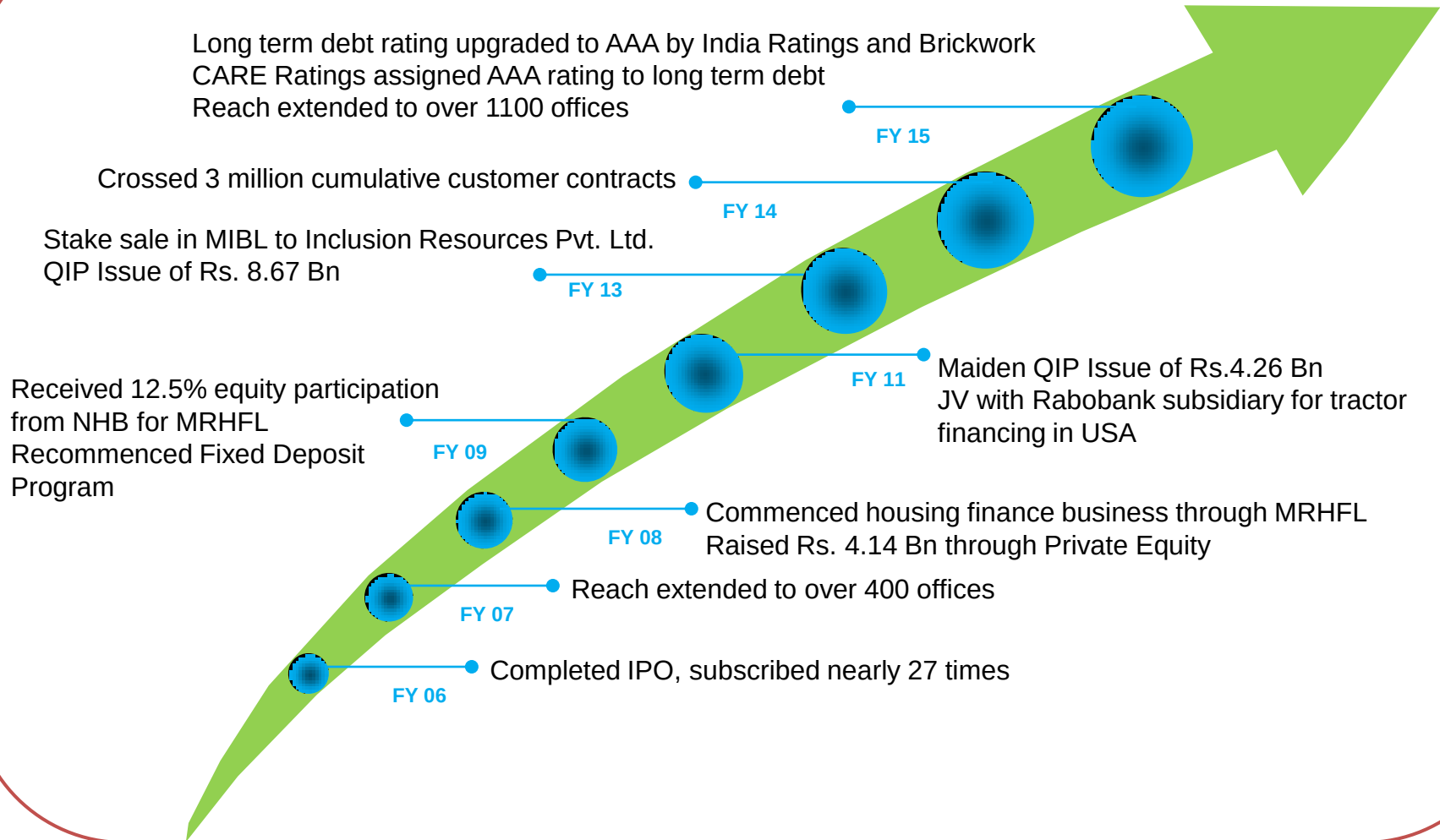
MMFSL Group structure



Note:

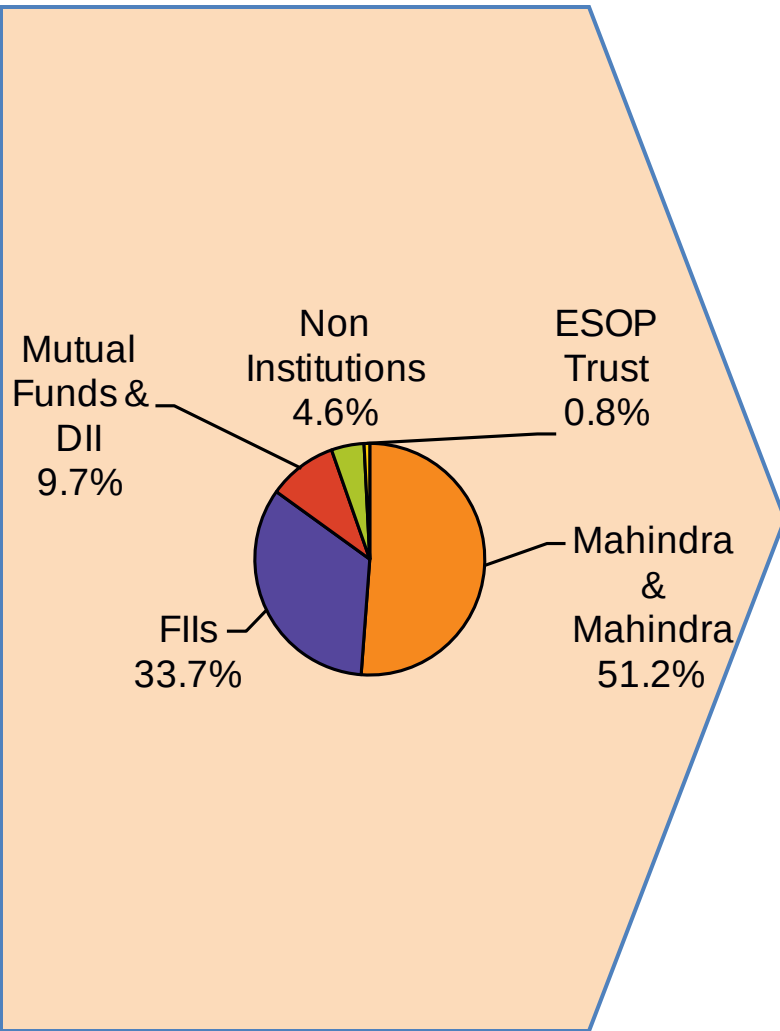
1. Balance 15% with Inclusion Resources Pvt. Ltd., a subsidiary of Leapfrog Financial Inclusion Fund, incorporated in Singapore.
2. Balance 12.5% with National Housing Bank (NHB)
3. Pursuant to the scheme of amalgamation of erstwhile Mahindra Business & Consulting Services Private Ltd. (MBCSPL), a wholly owned subsidiary, with the Company, all the assets and liabilities, including reserves, of MBCSPL were transferred and vested in the Company effective from appointed date 01st April, 2014. The Scheme became effective upon filing with the Registrar of Companies on 18th April, 2015

Our Journey Thus Far



Shareholding pattern

(as on December 31, 2015)



Top 10 Shareholders

- Amansa Holdings Private Limited
- Franklin Templeton Investment Funds
- Aranda Investments (Mauritius) PTE Ltd
- JP Morgan Sicav Investment Company (Mauritius)
- Life Insurance Corporation Of India
- Bank Muscat S A O G A/C Bankmuscat India Fund
- FIL Investments (Mauritius) Ltd
- JP Morgan India Fund
- Stichting Depositary Apg Emerging Markets Equity
- Vanguard Emerging Markets Stock Index Fund, Aserie

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

Automobile Finance Market to Grow by 16-18% over the next 5 years

Growth in New Vehicle Finance Disbursements						
(% growth over previous yr)	FY12E	FY13E	FY14E	FY15E	FY16P	CAGR FY15-FY20P
Cars	8%	1%	(7%)	4%	10-12%	17-19%
Utility Vehicles	16%	39%	(6%)	3%	15-17%	18-20%
Commercial Vehicles	17%	(11%)	(25%)	5%	10-12%	15-17%
Two-Wheelers	25%	10%	15%	7%	7-9%	14-16%

Source: CRISIL Research, Retail Finance - Auto, July 2015

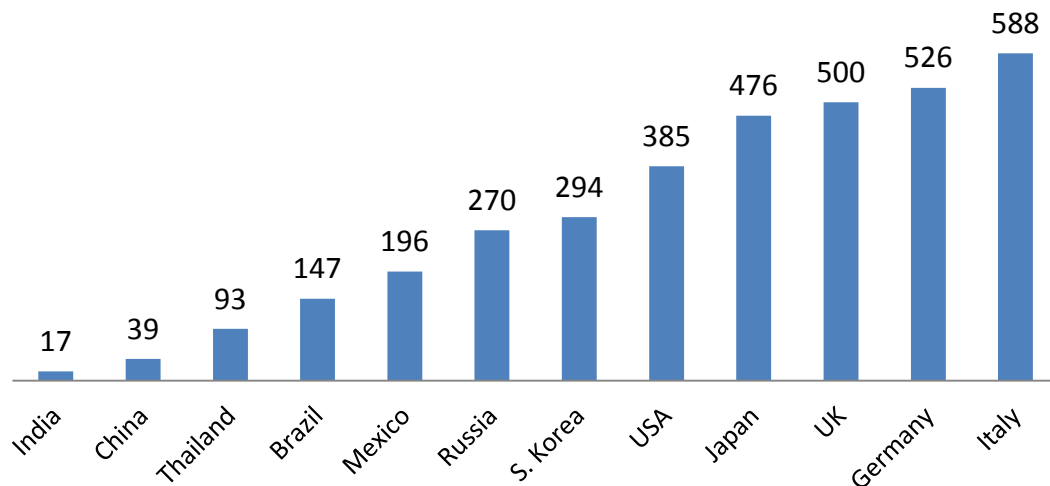
- By the fiscal year 2019, penetration levels are expected to increase to 78% for cars and 75% for utility vehicles from 76% and 69% respectively as a result of a moderation in interest rates and alleviation of credit risk
- Loan-to-value (LTVs) expected to increase marginally to 76% for cars and 72% for UVs from 75% and 71% respectively over the next 5 years

Auto Industry

Long term growth potential

	<u>FY05-10</u>	<u>FY10-15</u>	<u>FY16P</u>	<u>FY15-20P</u>
	CAGR (%)	CAGR (%)	(%)	CAGR (%)
Cars and Uvs	13	6	6-8	11-13
Tractors	12	7	3-4	11-13
CVs	10	3	4-6	10-13

Global Comparison in terms of PV per thousand people ⁽¹⁾



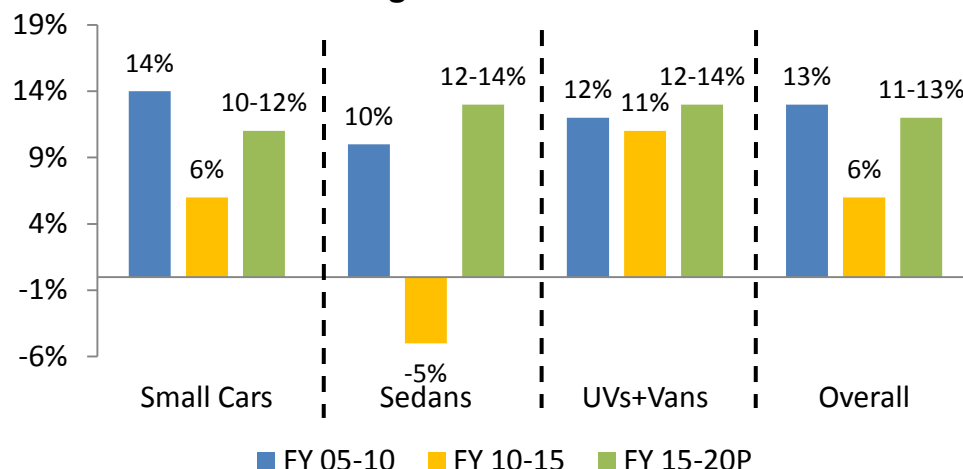
- Strong prospects in the long-term. Growth to be driven by increase in income of households and higher passenger vehicle penetration
- Small Cars to drive growth in the long term due to higher aspiration levels led by economy recovery and lower cost of ownership
- With 17 cars per 1000 people, India's potential is greater
- MHCV goods vehicle sales in the long term to be supported by growth in economic activity, export-import and freight traffic, construction activities etc.
- Demand for LCVs in the long term to be fuelled by increase of hub-and-spoke model, growth of organised retail, rising consumption expenditure and improvement in rural road infrastructure

Source: *CRISIL Research

Note : (1) All numbers except India are for CY 2012. India's figures are for 2013-14.

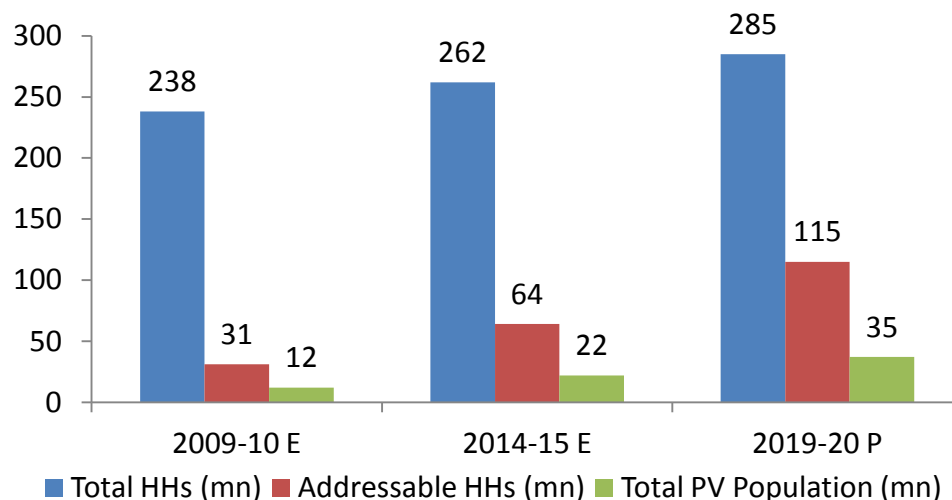
Overall Demand Drivers

Passenger Vehicles Growth CAGR



- Increase in affordability
- Growth in Addressable Market
- Entry of New Players and New Model Launches
- Increase in dealerships and access to Finance
- Reduction in holding period, which increases the demand for second vehicles
- Growth in Economic Activity
- Infrastructure development, structural changes and government initiatives

Addressable HHs to increase over the next 5 years



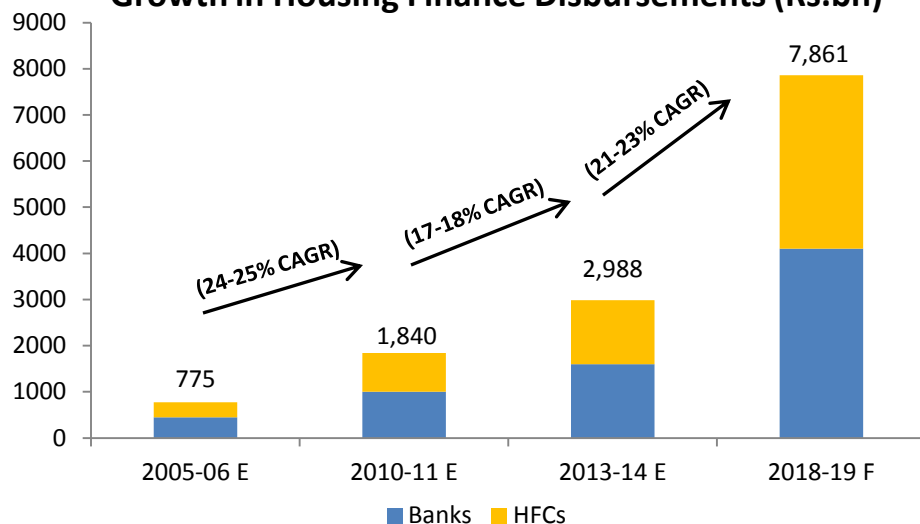
Auto Industry Volume

Domestic Sales (Volume in '000)	9MFY16 (Nos.)	9MFY15 (Nos.)	Y-o-Y Growth (%)	FY15 (Nos.)	FY14 (Nos.)	Y-o-Y Growth (%)
Passenger Vehicles (PVs)						
Passenger Cars / Vans	1,517	1,359	12%	1,876	1,791	5%
UVs	549	536	2%	725	717	1%
Commercial Vehicles (CVs)						
M&HCVs	208	160	30%	233	200	17%
LCVs	273	284	(4%)	382	432	(12%)
Three Wheelers	398	416	(4%)	532	480	11%
Tractors	389	454	(14%)	551	634	(13%)

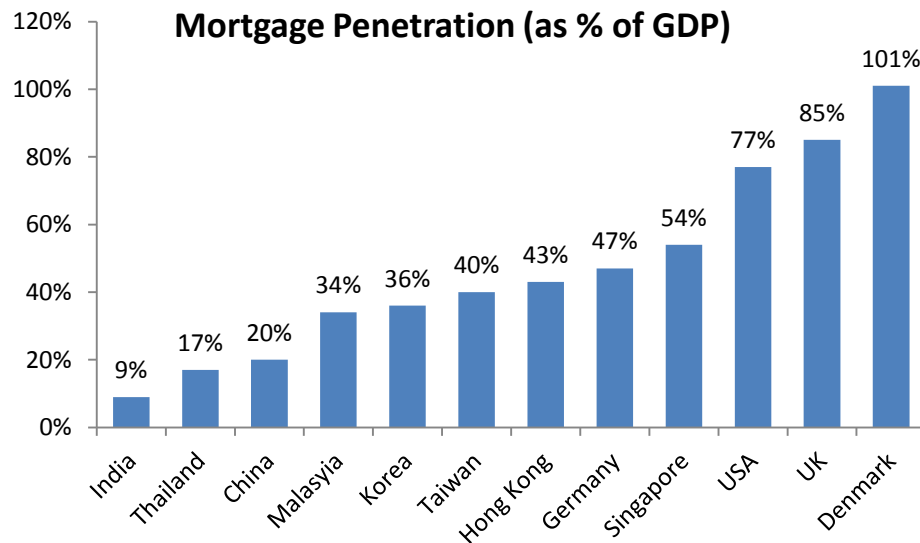
Source: Crisil

Housing Finance Growth

Growth in Housing Finance Disbursements (Rs.bn)



- Growth in disbursements to be supported by rising focus of developers on the affordable housing segment
- Tier II and III cities to drive growth



- Though India's mortgage-to-GDP ratio is low, it has improved by 300-400 bps over the last six years
- Growth in economic activity, disposable incomes, improving affordability

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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

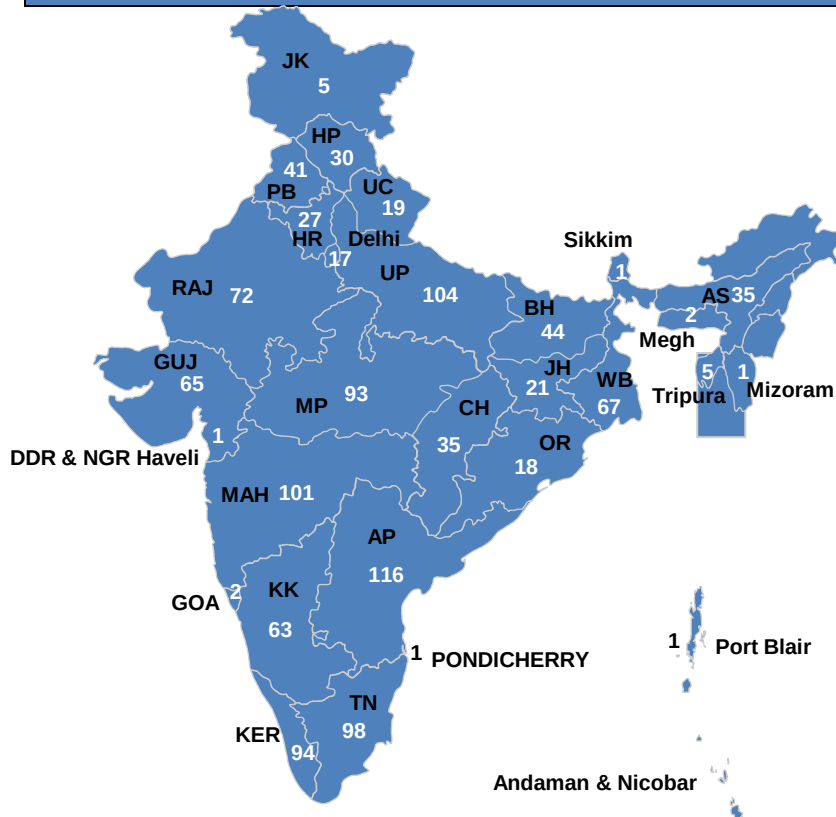
Effective use of technology to improve productivity

Leverage the “Mahindra” Ecosystem

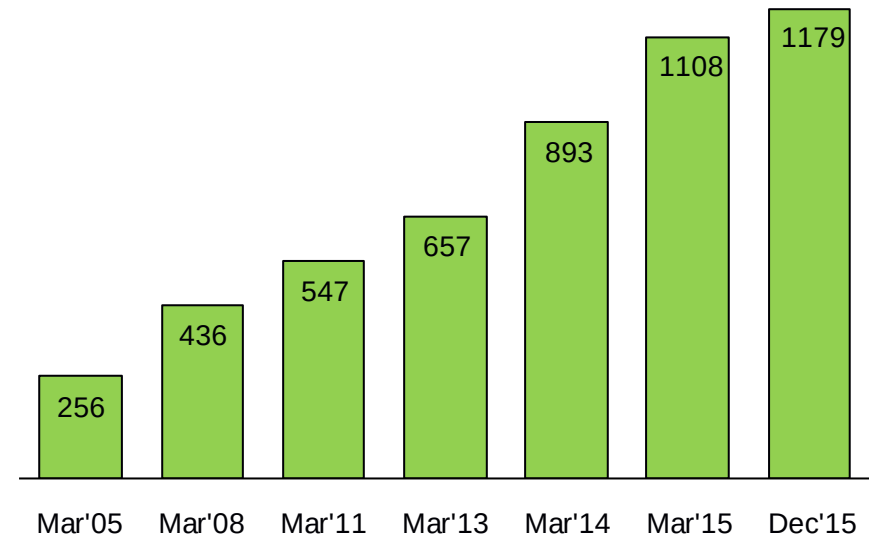
Extensive branch network

- MMFSL has an extensive branch network with presence in 25 states and 5 union territories in India through 1179 offices as of December 31, 2015
- 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



Break up of estimated value of Assets Financed

Asset Class	Nine months ended December – 15	Nine months ended December – 14	Year ended March – 15
Auto/ Utility vehicles	31%	33%	33%
Tractors	16%	19%	18%
Cars	23%	21%	22%
Commercial vehicles and Construction equipments	10%	9%	9%
Pre-owned vehicles and others	20%	18%	18%

Break up of AUM

Asset Class	As on December – 15	As on December – 14	As on March – 15
Auto/ Utility vehicles	31%	30%	31%
Tractors	17%	19%	18%
Cars	24%	23%	23%
Commercial vehicles and Construction equipments	12%	13%	13%
Pre-owned vehicles and others	16%	15%	15%

1. Approximate percentages

2. As on 31st Dec 15, ~47% of the AUM was from M&M assets

Credit Rating

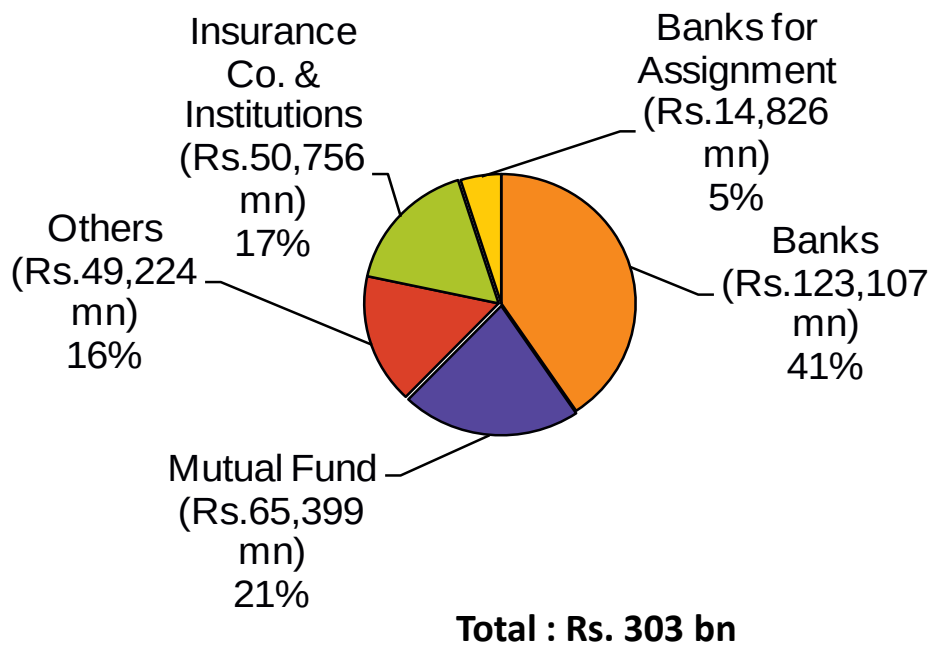
- MMFSL believes that its credit rating and strong brand equity enables it to borrow funds at competitive rates

Credit Rating	India Ratings	Outlook
Long term and Subordinated debt	AAA (ind)	Stable
Short term debt	IND A1+	--
	CARE Ratings	Outlook
Long term and Subordinated debt	AAA	--
	Brickwork	Outlook
Long term and Subordinated debt	AAA	Stable
	CRISIL	Outlook
Fixed Deposit Programme	FAAA	Stable
Short term debt	A1+	--
Long term and Subordinated debt	AA+	Stable

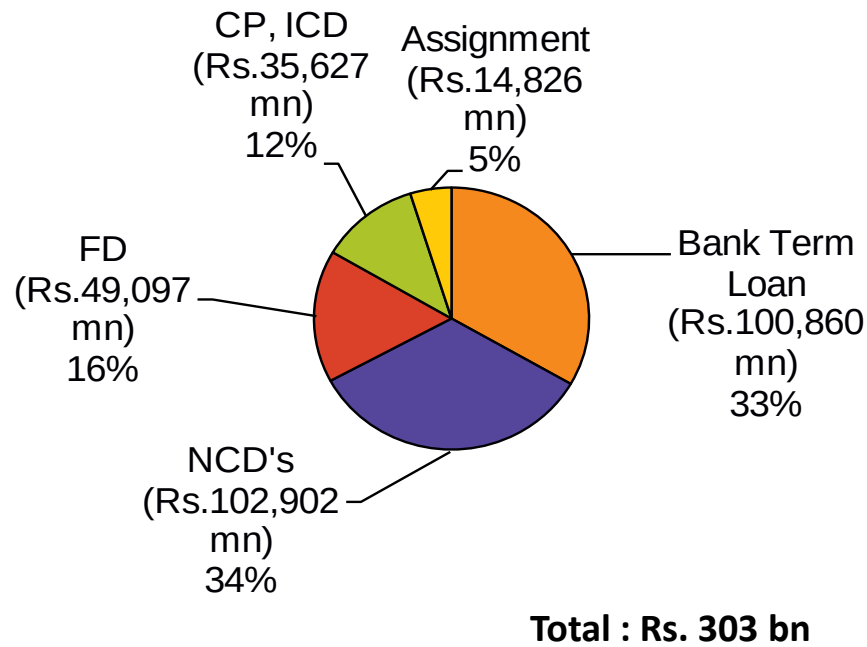
Broad based Liability Mix

- Total consortium size of Rs.15.3 Bn comprising several banks

Funding Mix by Investor profile (Dec' 15)



Funding Mix by type of Instrument (Dec' 15)



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/HHD
- Through hand held devices 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



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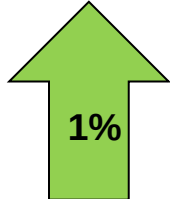
Transforming rural lives across the country

Key Financials

Q3FY16 Vs Q3FY15 (Figures on standalone basis)

Total Income

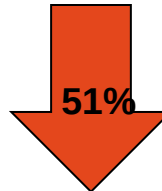
Rs 14,087 mn



Rs 13,955 mn

Profit after Tax

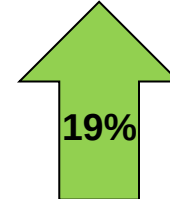
Rs 672 mn



Rs 1,364 mn

Value of Asset Financed

Rs 79,728 mn

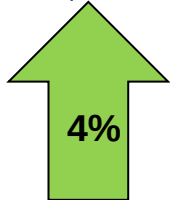


Rs 67,099 mn

9MFY16 Vs 9MFY15 (Figures on standalone basis)

Total Income

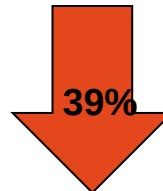
Rs 42,154 mn



Rs 40,474 mn

Profit after Tax

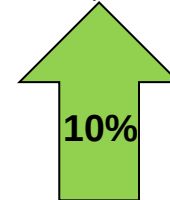
Rs 3,023 mn



Rs 4,984 mn

Value of Asset Financed

Rs 198,956 mn



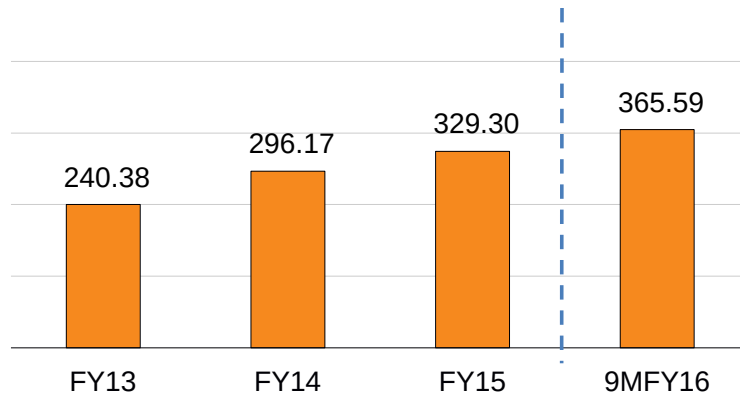
Rs 180,284 mn

Note: Effective from previous quarter ended 30th Sept, 2015, the Company has decided to accelerate the recognition of NPAs in a phased manner so as to meet the revised norms of 4 months before 31st March, 2017. Accordingly, an additional provision of Rs. 505.8 mn (including income de-recognition) has been made with a consequent impact on Profit before Tax for nine months ended 31st Dec, 2015.

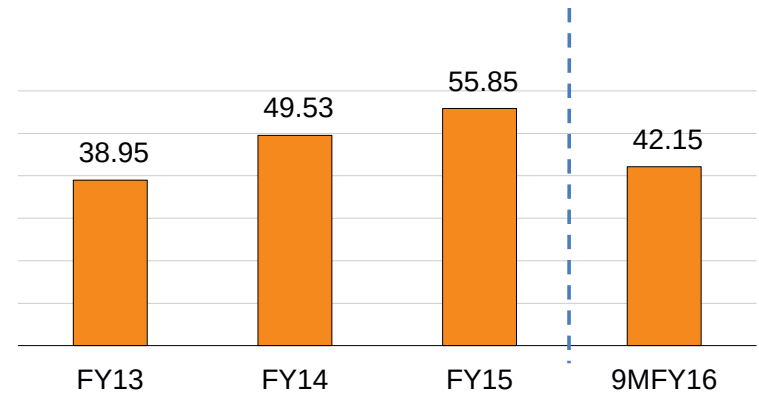
Growth Trajectory

Figures on standalone basis

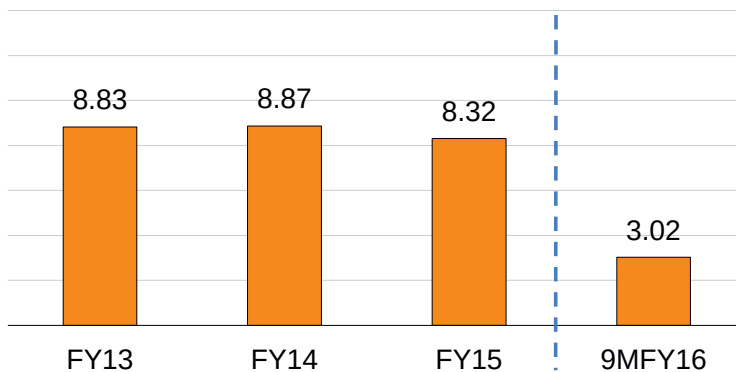
Loan Book (Rs. Bn)



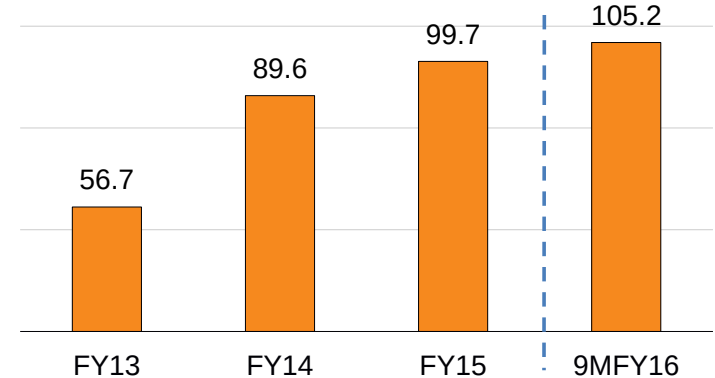
Revenues (Rs. Bn)



Profit after Tax ⁽¹⁾ (Rs. Bn)



Book Value Per Share ⁽²⁾ (Rs.)

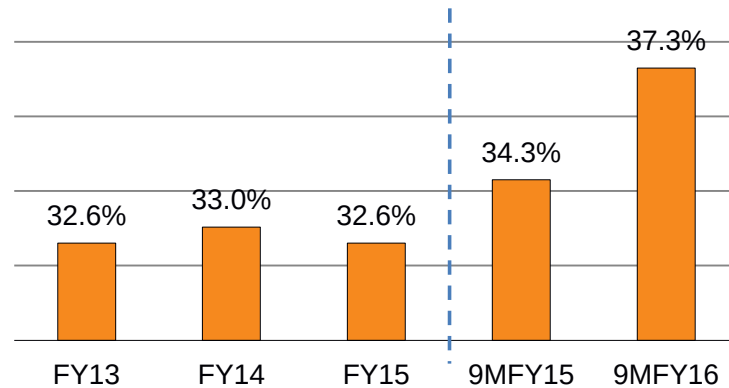


Note : 1 PAT post exceptional items 2. Calculated as Shareholders funds/ Number of shares 3. All figures and ratios are post additional provision of Rs. 505.8 mn (including income de-recognition). Please refer to detailed note on Slide 23.

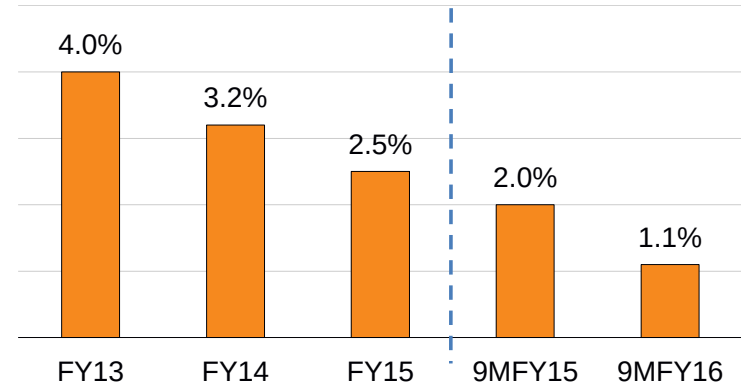
Financial Performance

Figures on standalone basis

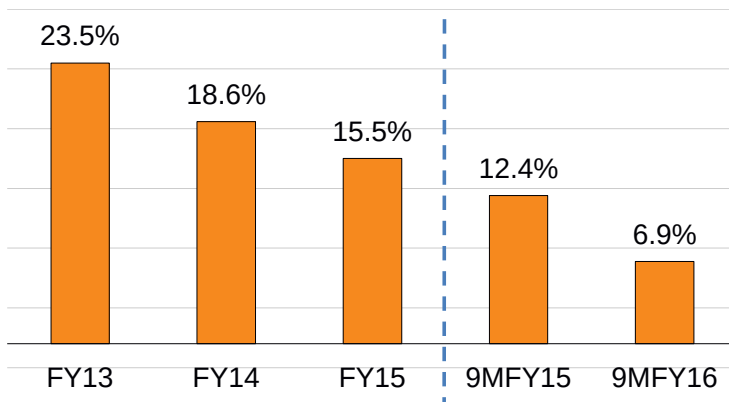
Cost to income ratio ⁽¹⁾ (%)



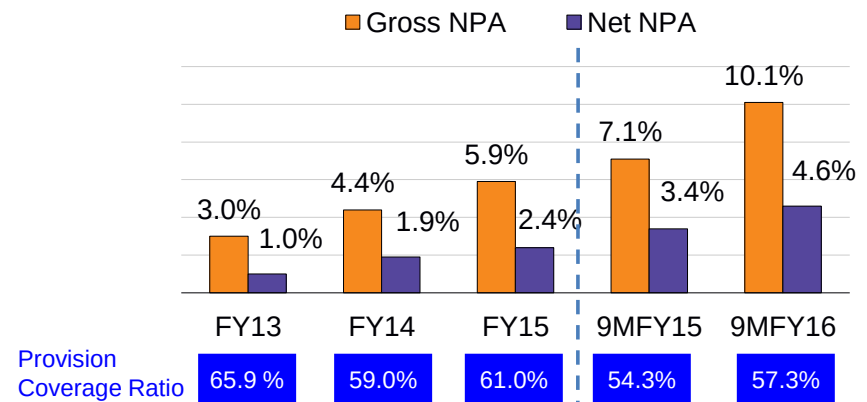
Return on Assets (ROA) ⁽²⁾ (%)



Return on Net Worth (RONW) ⁽³⁾ (%)



Asset Quality



Note 1 Cost to Income calculated as Operating Expenses (including depreciation)/(Net Interest Income + Other Income). 2 Calculated based on average total assets. 3 All figures and ratios are post additional provision of Rs. 505.8 mn (including income de-recognition). Please refer to detailed note on Slide 23.

Standalone Profit & Loss Statement

Particulars (Rs. in Million)	Q3FY16	Q3FY15	Y-o-Y	Q2FY16	Q-o-Q	FY15
Revenue from operations	13,879	13,172	5%	13,432	3%	52,799
Securitisation Income (net)	123	694	(82%)	768	(84%)	2,562
Less: Finance cost	6,696	6,478	3%	6,542	2%	24,967
NII	7,306	7,388	(1%)	7,658	(5%)	30,394
Other Income	85	89	(4%)	183	(54%)	486
Total Income	7,391	7,477	(1%)	7,841	(6%)	30,880
Employee benefits expense*	1,354	1,183	14%	1,384	(2%)	4,591
Provisions and write Offs	3,406	2,691	27%	2,772	23%	8,275
Other expenses*	1,488	1,423	5%	1,323	12%	5,062
Depreciation and amortization	104	100	4%	101	3%	415
Total Expenses	6,352	5,397	18%	5,580	14%	18,343
Profit before tax	1,039	2,080	(50%)	2,261	(54%)	12,537
Tax expense	367	716	(49%)	799	(54%)	4,219
Net Profit after Taxes for the year	672	1,364	(51%)	1,462	(54%)	8,318

Note: 1. All figures are post additional provision of Rs. 505.8 mn (including Income de-recognition). Please refer to detailed note on Slide 23. 2 * Other expenses for the quarter ended 31Dec15 includes NIL (quarter ended 31Dec14 and 30Sept15 : Rs.0.01 mn and NIL respectively; year ended 31Mar15 : Rs. 24 mn) incurred towards professional fees for manpower services provided by MBCSPL.

Standalone Balance Sheet

Particulars (Rs. in Million)	As on Dec 31 2015	As on Dec 31 2014	As on Mar 31 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,128	1,128	1,128
b) Reserves and Surplus	58,718	54,841	55,566
Shareholders' funds	59,846	55,969	56,694
Non-current liabilities			
a) Long-term borrowings	1,67,248	1,58,663	1,47,871
b) Other Long-term liabilities	4,075	3,049	3,025
c) Long term provisions	10,047	3,626	3,280
Non-current liabilities	1,81,370	1,65,338	1,54,176
Current liabilities			
a) Short Term Borrowings	56,197	43,833	48,710
b) Trade payables	5,701	5,110	4,779
c) Other current liabilities	77,389	68,889	74,876
d) Short term provisions	8,696	9,110	11,506
Current liabilities	1,47,983	1,26,942	1,39,871
Total Equities and Liabilities	3,89,199	3,48,249	3,50,741

Standalone Balance Sheet (Cont'd)

Particulars (Rs. in Million)	As on Dec 31 2015	As on Dec 31 2014	As on Mar 31 2015
ASSETS			
Non-current assets			
a) Fixed Assets	1,107	1,062	1,100
b) Non-current investments	9,396	6,768	7,599
c) Deferred tax assets (Net)	4,586	3,718	4,153
d) Long-term loans and advances	1,81,007	1,66,674	1,70,037
e) Other non-current assets	1,652	1,271	2,320
Non-current assets	1,97,748	1,79,493	1,85,209
Current assets			
a) Current investments	1,327	459	937
b) Trade receivables	64	57	57
c) Cash and cash equivalents	4,624	5,239	4,794
d) Short-term loans and advances	1,84,579	1,62,300	1,59,261
e) Other current assets	857	701	483
Current assets	1,91,451	1,68,756	1,65,532
Total Assets	3,89,199	3,48,249	3,50,741

Key Subsidiaries

*Transforming rural lives
across the country*



Mahindra Rural Housing Finance

Particulars (Rs. million)	Nine Months ended December – 15	Nine Months ended December – 14	Year ended March – 15
Loans disbursed	10,220	6,431	9,896
No. of Customer Contracts (Nos)	77,483	48,443	81,960
Outstanding loan book	28,584	18,312	20,983
Total income	3,404	2,268	3,284
PBT	515	352	673
PAT	328	226	442

- Provide loans for home construction, extension, purchase and improvement to a wide base of customers in rural and semi-urban India
- Shareholding pattern: MMFSL- 87.5%, NHB- 12.5%
- Currently operating in 10 States

Mahindra Insurance Brokers Limited

Particulars (Rs. million)	Nine Months ended December – 15	Nine Months ended December – 14	Year ended March – 15
Total income	1,033	906	1,262
Net premium	7,200	5,901	8,939
PBT	503	457	653
PAT	326	301	429
No. of Policies for the Period (nos.)	960,181	825,825	1,137,981
No. of employees (nos.)	788	724	715

- Licensed by IRDA for undertaking insurance broking in Life, Non-Life and reinsurance businesses
- Shareholding pattern: MMFSL- 85%, Inclusion Resources Pvt. Ltd.- 15%

Consolidated Profit & Loss Statement

Particulars (Rs. in Million)	Nine months ended December – 15	Nine months ended December – 14	Year ended March - 15
Revenue from operations	46,673	43,562	60,211
Other income	254	246	398
Total Revenue	46,927	43,808	60,609
Expenses:			
Employee benefits expense	5,022	4,227	5,671
Finance costs	21,324	19,650	26,430
Depreciation and amortization expense	336	343	455
Provisions and write Offs	9,816	6,987	8,491
Other expenses	4,632	4,114	5,563
Total Expenses	41,130	35,321	46,610
Profit before tax	5,797	8,487	13,999
Tax expense	2,097	2,957	4,750
Profit for the year	3,700	5,530	9,249
Minority Interest	90	73	120
Net Profit after Taxes and Minority Interest	3,610	5,457	9,129

Note : All figures are post additional provision of Rs. 505.8 mn (including Income de-recognition). Please refer to detailed note on Slide 23.

Consolidated Balance Sheet

Particulars (Rs. in Million)	As on Dec 31 2015	As on Dec 31 2014	As on Mar 31 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1,129	1,128	1,128
b) Reserves and Surplus	62,126	57,304	58,299
Shareholders' funds	63,255	58,432	59,427
Minority Interest	564	447	493
Non-current liabilities			
a) Long-term borrowings	1,94,830	1,75,741	1,68,652
b) Other Long-term liabilities	4,075	3,055	3,025
c) Long term provisions	10,483	3,883	3,527
Non-current liabilities	2,09,388	1,82,679	1,75,204
Current liabilities			
a) Short Term Borrowings	64,191	48,597	52,586
b) Trade payables	5,934	5,279	4,954
c) Other current liabilities	85,825	74,985	81,823
d) Short term provisions	9,223	9,431	11,844
Current liabilities	1,65,173	1,38,292	1,51,207
Total Equities and Liabilities	4,38,380	3,79,850	3,86,331

Consolidated Balance Sheet (Cont'd)

Particulars (Rs. in Million)	As on Dec 31 2015	As on Dec 31 2014	As on Mar 31 2015
ASSETS			
Non-current assets			
a) Fixed Assets	1,227	1,159	1,192
b) Non-current investments	6,530	4,843	5,597
c) Deferred tax assets (Net)	4,688	3,767	4,212
d) Long-term loans and advances	2,20,546	1,91,833	1,98,883
e) Other non current assets	1,658	1,277	2,326
Non-current assets	2,34,649	2,02,879	2,12,210
Current assets			
a) Current investments	1,833	459	945
b) Trade receivables	171	126	145
c) Cash and cash equivalents	4,875	5,367	4,936
d) Short-term loans and advances	1,96,045	1,70,331	1,67,620
e) Other current assets	807	688	475
Current assets	2,03,731	1,76,971	1,74,121
Total Assets	438,380	3,79,850	3,86,331

Summary & Key Ratios

Figures on standalone basis

Particulars	Nine months ended December – 15	Nine months ended December – 14	Year ended March – 15
RONW (Avg. Net Worth)	6.9%	12.4%	15.5%
Debt / Equity	4.83:1	4.69:1	4.63:1
Capital Adequacy	17.8%	18.1%	18.3%
Tier I	15.0%	15.6%	15.5%
Tier II	2.8%	2.5%	2.8%
EPS (Basic) (Rs.)	5.36	8.84	14.75
Book Value (Rs.)	105.2	98.4	99.7
Dividend	--	--	200%
Assets Under Management (Rs. Mn)	402,823	365,023	368,780
New Contracts During the period (Nos)	400,615	388,719	515,654
No. of employees	15,580	13,899	14,197

Note : All figures and ratios are post additional provision of Rs. 505.8 mn (including Income de-recognition). Please refer to detailed note on Slide 23.

Spread Analysis

Figures on standalone basis

	Nine months ended December – 15	Nine months ended December – 14	Year ended March – 15
Total Income / Average Assets	15.8%	16.5%	17.1%
Interest / Average Assets	7.4%	7.6%	7.7%
Gross Spread	8.4%	8.9%	9.4%
Overheads / Average Assets	3.1%	3.1%	3.1%
Write offs & NPA provisions / Average Assets	3.5%	2.7%	2.5%
Net Spread	1.8%	3.1%	3.8%
Net Spread after Tax	1.1%	2.0%	2.5%

Note : All ratios are post additional provision of Rs. 505.8 mn (including Income de-recognition). Please refer to detailed note on Slide 23.

NPA Analysis

Figures on standalone basis

Particulars (Rs. million)	December – 15	December – 14	March – 15
Gross Non - Performing Assets	39,851 *	24,991	20,997
Less: NPA Provisions	22,836	13,565	12,815
Net Non – Performing Assets	17,016	11,426	8,182
Total Assets (Incl. NPA Provision)	395,003	351,671	355,128
Gross NPA to Total Assets(%)	10.1%	7.1%	5.9%
Net NPA to Total Assets(%)	4.6%	3.4%	2.4%
Coverage Ratio(%)	57.3%	54.3%	61.0%

Note: *includes additional assets of Rs. 2,489 mn identified due to accelerated recognition.

Effective from previous quarter ended 30th Sept, 2015, the Company has decided to accelerate the recognition of NPAs in a phased manner so as to meet the revised norms of 4 months before 31st March, 2017. Accordingly, an additional provision of Rs. 505.8 mn (including income de-recognition) has been made with a consequent impact on Profit before Tax for nine months ended 31st Dec, 2015.

Above workings are excluding securitised/assigned portfolio

Awards and Accolades

- Mahindra Finance has been appraised and rated at **People CMM® Maturity Level 3**
- Mahindra Finance included on **Dow Jones Sustainability Index (DJSI)** - Emerging Market Trends for 3rd years in a row. We also got featured in **RobecoSAM Sustainability Yearbook 2015**
- Mahindra Finance made it to the list of **Carbon Disclosure Leadership Index (CDLI)** for 2nd consecutive year in 2015
- Mahindra Rural Housing Finance Limited (MRHFL) has been awarded the 'Platinum' Award under the category of 'Social Development' and sub-category of 'Rural Upliftment' by **ASSOCHAM's 3rd Innovation Excellence Awards 2014**
- The 'Learning and Development' department of Mahindra & Mahindra Financial Services Ltd. has been declared as the winner of '**Golden Peacock National Training Award**' for the year 2014.
- Mahindra Finance is among the best in the prestigious **Dun & Bradstreet's 'India's Top 500 Companies 2014'**



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Key Risk Management Practices

*Transforming rural lives
across the country*



Conservative Risk Management Policies

Provisioning Norms

Duration (months)	RBI Norms	Duration (months)	MMFSL
6 and <= 18	10%	> 5* and <= 11	10%
> 18 and <= 30	20%	> 11 and <= 24	50%
> 30 and <= 54	30%	> 24 months	100%
> 54 months	50%		

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

At MMFSL, NPA provisioning norms are more stringent than RBI norms

**Effective from previous quarter ended 30th Sept, 2015, the Company has decided to accelerate the recognition of NPAs in a phased manner so as to meet the revised norms of 4 months before 31st March, 2017. Accordingly, additional assets were recognised as NPA for the nine months ended 31st Dec, 2015.*

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