



**AUM in Rs Cr**      **Q1FY22**      **73,756**

### Financials:

Particulars (Rs. Crore)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
NII	3,960	5,107	5,940	6,492	6,743
NP	530	1,051	1,867	1,086	780
RoA (%)	1.0	2.2	2.6	1.3	0.4
RoE (%)	6.4	11.3	15.2	8.1	2.5
NIM (%)	7.0	6.2	6.6	6.8	6.2
NNPA	1,600	1,599	3,291	3,967	2,434

Source: Company presentation

M&M Financial Services Ltd is part of one of the most trusted M&M Group and a leading Automobile-to-IT conglomerate. The Company started operation in 1990 as a captive vehicle financing arm of M&M utility vehicles and has now diversified into a financial services provider with a whole suite of financial solutions tailored to the under-served customer in under-penetrated rural markets. The financing activities include financing of Passenger Vehicles, Utility Vehicles, Tractors, Commercial Vehicles, Construction Equipment; and pre-owned vehicles and SME finance.

### Business model and competitive strength:

- Strong corporate governance backed by robust rating:** The Company has a legacy of presence in India for over 100 years and rated highest AAA in long term category while rated as highest FAAA (FD) and A1+ in short term category. 52.16% of stake is owned by Mahindra and Mahindra. **FAAA indicates that the degree of safety regarding timely payment of interest and principal is very strong.**
- Diversified product offerings:** In addition to lending activities, it has various other businesses like personal loans, mutual fund distribution, insurance broking, housing finance and mutual fund & AMC.
- Pan India reach backed by strong distribution networks:** The Company has pan India presence with >1,300 offices (expanding 6x in 15 years) financing nearly 7 million vehicles. Business is evenly spread with least geographical concentration.
- Strong financials:** The Company has expanded its balance sheet by >6x in past 9 years while profit has jumped >2.5x. The company generates net interest spread of >7% due to low cost of funds owing to high concentration of low cost deposits supported by robust ratings. Its RoA is temporarily shrunken to <1% from >2% in FY19 due to high provision while asset quality is in line with industry norms >9% with PCR of >50%.
- Adequately capitalised to take advantage of growth rebound:** The CAR for June 2021 is nearly 24% which is more than mandatory requirement of 15%. M&M Financial Services continues to enhance digital capabilities and use of technology to improve efficiency and function normally in current scenario. The CAR is also bolstered by a rights issue in July, 2020.

### Mahindra Finance FD rates for deposits upto Rs. 1 Crores (w.e.f. 1 August, 2021)

Tenure (Months)	Non - Cumulative Scheme				Cumulative Scheme		Sr. Citizen Benefit
	Monthly (p.a.)	Quarterly (p.a.)	Half Yearly (p.a.)	Yearly (p.a.)	Interest (p.a.)	Effective Yield (p.a.)	
12	5.15%	5.50%	5.60%	5.70%	5.70%	5.70%	0.25% p.a.
24	5.65%	6.00%	6.10%	6.20%	6.20%	6.39%	
36	5.75%	6.10%	6.20%	6.30%	6.30%	6.71%	
48	5.90%	6.25%	6.35%	6.45%	6.45%	7.10%	
60	5.90%	6.25%	6.35%	6.45%	6.45%	7.34%	
<b>Min. Investment</b>	<b>Rs. 5000/-</b>						

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017 | Research Analyst : INH000000602

Portfolio Manager: INP000004912 | IRDA : CA0103

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