

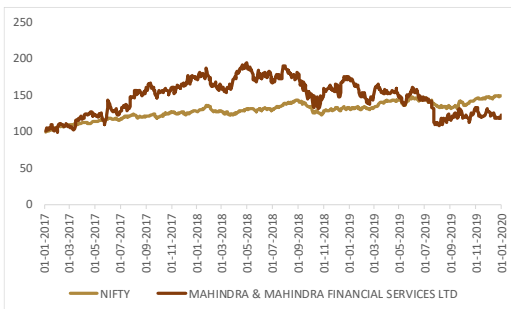
Market statistics as on December 31, 2019

Current stock price	339.35
Shares O/S (bn.)	0.62
Mcap (Rs bn.)	209.64
P/E (x)	N/A
52W H	471.3
52W L	284.85
Price to Book	1.88

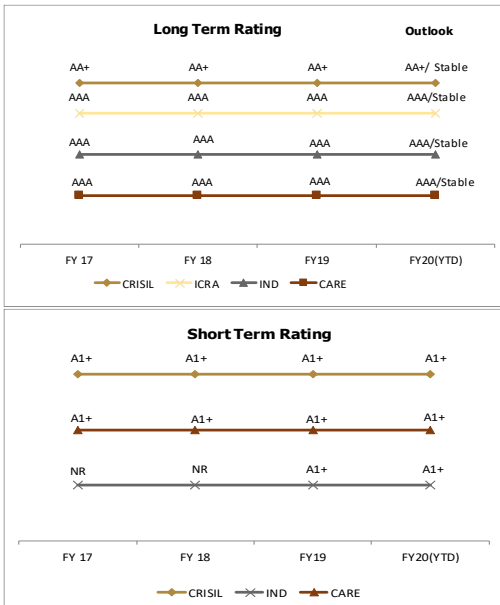
Shareholding pattern as on Dec. 31, 2019

Promoter & promoter Group	51.19%
Domestic Institution	15.37%
Foreign Institution	24.85%
Others	8.59%

M&MFSL vs Nifty



Credit Rating History



Credit Drivers:

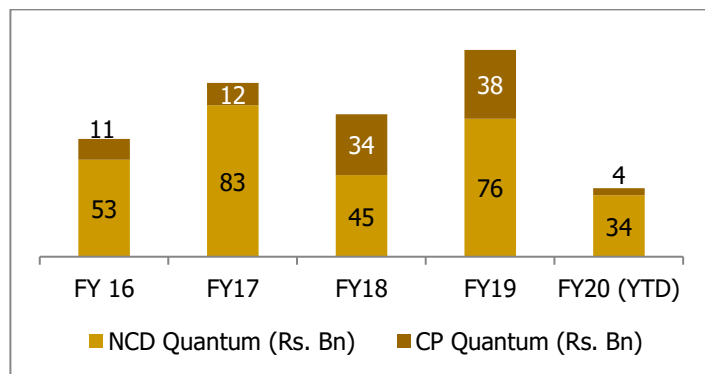
- Strong Parentage and competent management:** Mahindra and Mahindra Financial Services Ltd.'s (Mahindra Finance) is a subsidiary of Mahindra & Mahindra Ltd. (M&M) which has a leadership position in the tractors and utility vehicles (UV) segment in India. The financial and operational support from M&M and a competent and experienced management is a key credit driver for the company.
- Comfortable capital adequacy ratio:** As on September 30, 2019, Mahindra Finance's total capital adequacy ratio (CAR) while declining was still healthy at 19.7% with a Tier I CAR at 15.2%.
- Diversified funding profile:** Mahindra Finance has a well-diversified resource profile with funds being raised from various avenues like non-convertible debentures(39.4%), subordinated debt, domestic and foreign currency loans from banks(30.4%), public deposits(13.6%), commercial paper(4.4%) and securitization(12.2%).
- Asset quality is modest albeit deteriorated in FY19:** Gross NPA and Net NPA stood at 7.2% and 5.8% as on September 30, 2019 respectively as compared to 9% and 6% respectively as on September 30, 2018.
- Healthy Earnings Profile:** Mahindra Finance for H1FY20, reported PAT of Rs.3.2 billion on NII of Rs.24.8 billion.
- Comfortable liquidity position:** The tenor of the loan assets and borrowings is well matched which leads to comfortable liquidity profile. The company also benefits from strong parent support and availability of on - tap funds from the market at competitive rates.

Latest Issuances:

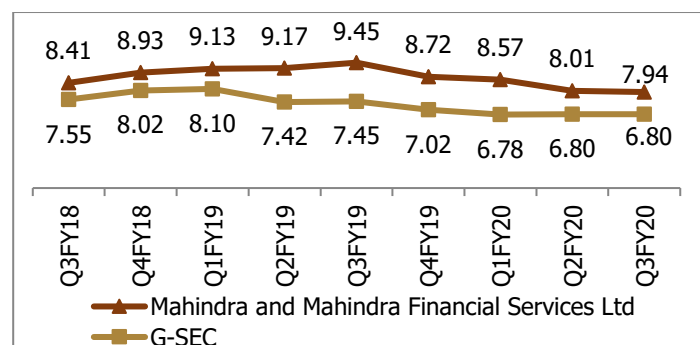
Name	Type	Date	Tenor	Coupon (%)	Quantum (Rs. Bn)
M&M FSL	Secured	Nov 15, 2019	1 year 3 days	T-bill linked	5.00

*Source: NSDL

NCD Issuance over the last 5 years (*Source : Prime Database)



Credit Spread over 10 year G-sec (*Source : Reuters)



Financial Performance

Particulars	H1FY20	H1FY19	% chg
Net Interest Income	24.8	22.2	11.7
Total Income	48.8	40.3	21.1
Operating Exp (excl. Int)	20.6	13.4	53.7
PAT	3.2	6.5	-50.8
Networth	107.5	99.8	7.8
Total Debt	567.1	467.1	21.4
Debt/Equity (x)	5.3	4.7	-
Cost to income (%)	41.2	35.2	-
ROA (%)	0.9	2.3	-
RONW (%)	5.9	13.3	-
CAR (%)	19.7	21.0	-
Tier 1 (%)	15.2	16.1	-
GNPA (%)	7.2	9.0	-
NNPA (%)	5.8	6.0	-

Source: company Reports, ACE Equity
As per IND AS