

Mahindra and Mahindra Financial Services Limited

March 28, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Secured non-convertible debenture (NCD Privately Placed)	6,288.50	CARE AAA; Stable	Reaffirmed
Subordinated debt (public issue)	933.00	CARE AAA; Stable	Reaffirmed
Unsecured non-convertible debenture (NCD privately placed)	1,000.00	CARE AAA; Stable	Reaffirmed
Subordinated debt (privately placed)	760.00	CARE AAA; Stable	Reaffirmed
Long-term debt programme (public issue non-convertible debentures/subordinated debt) [^]	4059.03 (Reduced from 4,594.59)	CARE AAA; Stable	Reaffirmed
Long-term debt programme non-convertible debenture	4000.00	CARE AAA; Stable	Reaffirmed
Private issue of long-term debt programme (sub-debt)	1,000.00	CARE AAA; Stable	Reaffirmed
Secured non-convertible debenture	4,000.00	CARE AAA; Stable	Reaffirmed
Subordinated debt	1,000.00	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

[^]The reduction/withdrawal as facilities are repaid and matured.

Rationale and key rating drivers

The ratings assigned to the debt instruments of Mahindra and Mahindra Financial Services Limited (MMFSL) continue to factor in the majority ownership by Mahindra & Mahindra Limited (M&M; rated 'CARE AAA; Stable') and strategic importance of MMFSL for M&M. The ratings also take into account the expected support and operational linkages with M&M, sharing of a common brand name, and the resource raising ability being part of the group. The ratings also factor MMFSL's strong management, long track record of operations with strong position in financing of tractors and utility vehicles, comfortable capitalisation and liquidity profile, diversified asset mix and well-diversified funding profile and improved profitability.

The ratings also factor in the elevated asset quality parameters due to the seasonal nature of income of its customers in rural and semi-urban areas who are also susceptible to slowdown in the overall economy and dependent on regular monsoon.

The credit profile of the parent (M&M), strategic importance of MMFSL for M&M, asset quality, profitability and capitalisation profile are the key rating sensitivities.

Rating sensitivities: Factors likely to lead to rating actions

Negative factors – Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Deterioration in asset quality parameters at the consolidated level, with gross non-performing asset (GNPA) exceeding 12% on a sustained basis.
- Increase in net NPA (NNPA) to tangible net worth (TNW) on a sustained basis.
- Moderation in the credit profile of the parent company.
- Significant reduction in the support/stake by M&M.

Analytical approach: CARE Ratings Limited (CARE Ratings) has analyzed the consolidated credit profile of MMFSL along with factoring linkages with the parent, i.e., M&M Ltd. (List of entities mentioned in Annexure 6)

¹Complete definition of the ratings assigned are available at [HYPERLINK "http://www.careedge.in"](http://www.careedge.in) www.careedge.in and other CARE Ratings Ltd.'s publications

Outlook: Stable

The stable outlook reflects the expectation of improving operational and financial position, comfortable capitalization levels along with benefit and support derived from the parent entity M&M Ltd.

Detailed description of the key rating drivers:**Key strengths****Strong parentage, shared brand and experienced Board of Directors and management team**

MMFSL is a subsidiary of M&M, which has a leadership position in the tractor market in India. M&M has been supporting MMFSL through shared 'Mahindra' brand as well as representation on Board of Directors along with management support. Mr. Anish Shah, Managing Director & CEO of M&M, is also the Chairman of the company.

The operations of the company are headed by Ramesh Iyer (Vice-Chairman and Managing Director) and has been with MMFSL since inception in 1995. He is also a member of the Group Executive Board of M&M, the holding company, and on the Board of various Mahindra Group companies, which explores synergies between all the businesses and formulates strategic plans.

Strategically important subsidiary for the parent

MMFSL is crucial to M&M's sales of rural and semi-urban products like tractors and utility vehicles. MMFSL is a strategically important subsidiary for M&M, being the largest financier of M&M assets. It constitutes around 45% of assets under management (AUM) of MMFSL as on December 31, 2023. The strategic importance of MMFSL can also be seen by the way of capital infusion done by the parent from time to time. MMFSL raised ₹3,089 crore during August 2020 through rights issues which were also subscribed by M&M taking its shareholding from 51.16% as on June 30, 2020 to 52.16% as on September 30, 2020.

As on December 31, 2023, M&M held 52.16% stake in MMFSL. Given the shared brand name and other linkages, CARE Ratings expects the parent to support the company as and when required.

Long track record of operations and diversified OEM base

MMFSL started business in 1991 and has a long track record of operations. It has the experience of operating in various business cycles. Although it started as a captive financier for M&M, from 2002-03, the company has started financing vehicles of other original equipment manufacturers (OEMs) like Maruti, Hyundai, Eicher, Nissan, Tata, etc. Being a subsidiary of M&M, it enjoys strong linkages and has relationship with the dealer network of M&M and remains a preferred financier for most of its dealer network. As a diversification and growth strategy, the company aims at increasing financing of other manufacturers as well.

Comfortable capitalization along with diversified funding profile

As on March 31, 2023, the gearing* on a standalone level increased to 4.56x from 3.78x as on March 31, 2022 on account of growth in the loan book which led to increase in debt as on March 31, 2023. As on December 31, 2023, gearing stood at 5.17x owing to growth in the loan book which led to increase in debt from Rs.74,946 crore as on March 31, 2023 to Rs.86,435 crore as on December 31, 2023.

On a standalone basis, MMFSL has consistently maintained a comfortable capital adequacy ratio (CRAR) at or above 19% over past 5 years. The company reported CRAR of 22.52% with Tier-I CAR of 19.87% as on March 31, 2023, and as on December 31, 2023 CRAR stood at 18.30% with Tier-I CAR at 16.50% against the regulatory CRAR of 15% indicating sufficient capital cushion available.

MMFSL has a wide spectrum of funding profile both in terms of investor base and type of instruments. Further, as on December 31, 2023, the borrowings stood at ₹ 86,435 crore (Consolidated ₹91,958 crore) as against ₹70,293 crore as on December 31, 2022 of which NCD/sub-debt contributed 28%, term loan - 49%, securitization/assignments - 5%, fixed deposits - 7%, Offshore borrowings - 3% and CP/ICD/NHB - 6%. The funding is also well-diversified across multiple lenders.

During the year ended March 31, 2023, the borrowings stood at ₹74,946 crore (Consolidated ₹81,429 crore) as against ₹55,814 crore as on March 31, 2022 of which NCD/sub-debt contributed 32%, term loan - 40%, securitization/assignments - 9%, fixed deposits - 7%, Offshore borrowings - 4% and CP/ICD/NHB - 8%. The funding is also well-diversified across multiple lenders.

CARE Ratings notes that the company's borrowing profile has remained diversified and expects it to continue with its long track record and brand name. The company has the ability to tap different sources of funds at competitive rates.

* after reducing deferred taxes & intangible assets from net-worth as per CARE Ratings' calculation

Diversified portfolio mix

On a consolidated level, MMFSL and Mahindra Rural Housing Finance (MRHFL) are the two main lending entities. On a standalone basis, MMFSL had AUM of ₹82,770 crore as on March 31, 2023, as against ₹64,961 crore as on March 31, 2022. The AUM of MMFSL is well-diversified across asset classes like auto/utility vehicles (33%), cars (20%), tractor (14%), pre-owned vehicles (12%), commercial vehicles (CV) & construction equipment (11%), SMEs and others (10%).

As on December 31, 2023, the AUM stood at ₹97,048 crore which has increased from ₹77,344 crore as on December 31, 2022.

These proportions of portfolio mix have remained on a similar line for the past 3 years and are expected to remain diversified.

As on March 31, 2023, the total AUM of MRHFL stood at ₹7,199 crore and comprises 63% from rural sector while the balance 37% is from the semi-urban sector which is primarily catering to the affordable housing segment.

Moderate profitability parameters

On a standalone basis as well, the profitability has improved to ₹1,984 crore in FY23 from ₹989 crore in FY22 largely on account of decline in impairment expenses from ₹2,368.30 crore in FY22 to ₹999.23 crore in FY23. There was a provision reversal of ₹1,212 crore during FY23; however, the write-offs were ₹2,213 crore leading to net impairment expense of ₹999.23 crore.

During 9MFY24, the company reported PAT of Rs. 1,141 crores as against the PAT of Rs. 1,300 crore for 9MFY23. The marginal decline in PAT was mainly because of the increase in financial cost across industry and increase in credit cost.

On a consolidated level, the company reported PAT of ₹2,071 crore on a total income of ₹12,832 crore during FY23 as against the PAT of ₹1,150 crore on a total income of ₹11,401 crore during FY22. The company's profitability improved largely on account of the low cost of funds and lower credit cost. Provisions for FY23 decreased to ₹1,182.59 crore as compared with ₹2,690.38 crore in FY22. Provision for FY23 was down mainly due to recovery of loans amounting to ₹1,423 crore and write-off for FY23 was ₹2,606 crore. Furthermore, return on total assets (ROTA)* improved and stood at 2.19% in FY23 as against 1.36% in FY22. During 9MFY24, on a consolidated level the company reported PAT of Rs.1,272 crore as against Rs.1,396 crore during 9MFY23 mainly because of the increase in finance cost due to increase in interest rate across industry and increase in credit cost. Operating cost also increased from Rs. 2,685 crore in 9MFY23 to Rs. 3,301 crore in 9MFY24 because of its increasing scale of operations.

*as per CARE Ratings' calculations

Key weaknesses

Moderate asset quality parameters

As on March 31, 2023, GNPA ratio stood at 4.49% as against GNPA of 7.66% as on March 31, 2022. With provision coverage ratio (PCR) of 59.46% as in March 31, 2023, NNPA ratio stood at 1.87% as on March 31, 2023 as against NNPA of 3.36% as on March 31, 2022.

As on December 31, 2023, the GNPA ratio stood 3.97% as against 5.93% on December 31, 2022 on a standalone basis.

As on December 31, 2023, the company had total provisions of ₹3,655 crore of which ₹2,416 crore was towards stage-3 assets and PCR for stage-3 assets stood at 62.72% on a standalone basis. Write-offs during the 9MFY24 stood at ₹1,113 crore.

Liquidity: Strong

The company has strong liquidity profile with no negative cumulative mismatch across buckets as on December 31, 2023. The company also has access to funds by way of in-principle line of credit from M&M (parent), Tech Mahindra, and various other group companies, which provide comfort. As on December 31, 2023, the company has liquid investment of around ₹8,419 crore as against the debt obligations of ₹9,509 crore for next 3 months. The sufficient liquidity held by the company provides adequate comfort.

Environment, social, and governance (ESG) risks

ESG	Risk Factors
Environmental	The risk from climate change may involve environmental degradation, rising sea levels, and shift in weather patterns that threaten food production. Climate change may also involve the risk of economic losses caused by physical damage to property and assets from extreme weather conditions and natural calamities.
Social	This is the risk of undesired attrition of good performers and critically skilled employees in the evolving environment.
Governance	It is the risk arising out of legal or regulatory actions consequent to failure of complying with applicable statutes, regulations, directions, standards, and guidelines. With the rise of technology-dependent services, it is critical to keep technology and cyber risk under check and keep them to an acceptable level.

Applicable criteria

[Policy on default recognition](#)

[Consolidation](#)

[Factoring Linkages Parent Sub JV Group](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Non Banking Financial Companies](#)

[Policy on Withdrawal of Ratings](#)

About the company and industry

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

MMFSL is a subsidiary of M&M (rated 'CARE AAA; Stable') (52.16% stake as on June 30, 2023), which enjoys market leadership position in its key product segments such as tractor and utility vehicle financing. MMFSL was incorporated in 1991 and commenced operations as a captive financier for M&M vehicles; however, since 2002-03, it started financing vehicles of other OEMs such as Maruti, Hyundai, Nissan, and Tata. MMFSL is a strategically important subsidiary for M&M as M&M's assets constitute about 44% of MMFSL's AUM as on June 30, 2023. MMFSL is crucial to M&M's sales of rural and semi-urban products such as tractors and utility vehicles and is the largest financier of M&M vehicles.

About Mahindra & Mahindra Limited

Incorporated in 1945, M&M is the flagship company of the Mahindra group. The group, through subsidiaries and JVs, is present in 20 industries across 10 sectors. Its core businesses includes manufacturing auto (passenger vehicles [PVs] {utility vehicles (UVs), passenger cars}, commercial vehicles (CVs) {light commercial vehicles (LCVs), pickups, medium and heavy commercial vehicles (MHCVs)}, three-wheelers, two-wheelers, among others) and farm equipment (tractors and other farm equipment), among others. M&M enjoys a dominant position in its leading business segments.

Brief Financials – Consolidated (₹ crore)	FY21 (A)	FY22 (A)	FY23 (A)	9MFY24 (UA)
Total income	12,171	11,401	12,832	3,637
PAT	780	1,150	2,071	362
Total assets	85,601	83,809	105,085	108,917
NIM (%)	7.64	7.60	7.34	7.26
ROTA (%)	0.93	1.36	2.19	1.48

A: Audited. UA: Unaudited. All ratios are per CARE Ratings' calculations. Note: These are latest financial results available.

Brief Financials – Standalone (₹ crore)	FY21 (A)	FY22 (A)	FY23 (A)	9MFY24 (UA)
Total income	10,517	9,719	11,056	3,125
PAT	335	989	1,984	353
Total assets	77,036	75,289	96,217	100,057
NIM (%)	7.32	7.29	7.12	7.12
ROTA (%)	0.44	1.30	2.31	1.58

A: Audited. UA: Unaudited. All ratios are per CARE Ratings' calculations. Note: These are latest financial results available.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer to Annexure-2

Covenants of rated instruments/facilities: Details explanation of covenants of the rated instruments/facilities in given in Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Date of Maturity	Size of Issue	Rating assigned along with
					(₹Crore)	Outlook
Unsecured NCD	INE774D08MU4	19-Apr-18	8.53	19-Apr-33	1,000.00	CARE AAA; Stable
Total					1,000.00	
Secured NCD	INE774D07KT2	15-Dec-14	8.95	13-Dec-24	175.00	CARE AAA; Stable
Secured NCD	INE774D07KW6	23-Jan-15	8.79	23-Jan-25	250.00	CARE AAA; Stable
Secured NCD	INE774D07LB8	10-Mar-15	8.70	10-Mar-25	55.00	CARE AAA; Stable
Secured NCD	INE774D07LE2	24-Mar-15	8.72	24-Mar-25	50.00	CARE AAA; Stable
Secured NCD	INE774D07LO1	22-Apr-15	9.00	22-Apr-25	500.00	CARE AAA; Stable
Secured NCD	INE774D07MK7	24-Jun-15	9.00	24-Jun-25	500.00	CARE AAA; Stable
Secured NCD	INE774D07MM3	29-Jun-15	8.95	27-Jun-25	15.00	CARE AAA; Stable
Secured NCD	INE774D07NN9	09-Oct-15	8.75	09-Oct-25	250.00	CARE AAA; Stable

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Date of Maturity	Size of Issue	Rating assigned along with
					(₹Crore)	Outlook
Secured NCD	INE774D07TG0	08-Aug-19	8.48	08-Aug-29	2,000.00	CARE AAA; Stable
Secured NCD	INE774D07TL0	05-Mar-20	7.45	11-Dec-24	400.00	CARE AAA; Stable
Secured NCD	INE774D07TM8	05-Mar-20	7.75	05-Mar-30	77.50	CARE AAA; Stable
Secured NCD	INE774D07UG8	17-Nov-21	7.45	17-Nov-31	375.00	CARE AAA; Stable
Secured NCD	INE774D07UG8	17-Dec-21	7.45	17-Nov-31	275.50	CARE AAA; Stable
Secured NCD	INE774D07UG8	28-Mar-22	7.45	17-Nov-31	250.00	CARE AAA; Stable
Secured NCD	INE774D07UM6	30-Aug-22	7.90	30-Aug-27	750.00	CARE AAA; Stable
Secured NCD	INE774D07UN4	27-Sep-22	8.00	27-Sep-32	2,000.00	CARE AAA; Stable
Secured NCD	INE774D07UQ7	21-Nov-22	8.10	21-Nov-25	407.00	CARE AAA; Stable
Proposed Issue	NA	NA	NA	NA	5,958.50	CARE AAA; Stable
Total Secured NCD Privately placed					14,288.50	
Subordinated Debt	INE774D08LJ9	17-Nov-14	9.50	15-Nov-24	100.00	CARE AAA; Stable
Subordinated Debt	INE774D08LK7	02-Feb-15	9.18	31-Jan-25	100.00	CARE AAA; Stable
Subordinated Debt	INE774D08LL5	25-Jun-15	9.10	25-Jun-25	25.00	CARE AAA; Stable
Subordinated Debt	INE774D08LM3	14-Aug-15	9.00	14-Aug-25	25.00	CARE AAA; Stable
Subordinated Debt	INE774D08LN1	21-Aug-15	9.00	21-Aug-25	25.00	CARE AAA; Stable
Subordinated Debt	INE774D08LO9	27-Oct-15	8.90	27-Oct-25	100.00	CARE AAA; Stable
Subordinated Debt	INE774D08MT6	05-Jul-21	7.35	04-Jul-31	132.90	CARE AAA; Stable
Subordinated Debt	INE774D08MV2	21-Jul-22	8.20	21-Jul-32	80.00	CARE AAA; Stable
Subordinated Debt	INE774D08MV2	07-Sep-22	8.20	21-Jul-32	300.00	CARE AAA; Stable
Proposed Issue	NA	NA	NA	NA	1,872.10	CARE AAA; Stable
Total Subordinated Debt privately placed					2,760.00	
Subordinated Debt	INE774D08LT8	06-Jun-16	8.53	06-Jun-26	0.90	CARE AAA; Stable
Subordinated Debt	INE774D08LU6	06-Jun-16	8.72	06-Jun-26	24.73	CARE AAA; Stable
Subordinated Debt	INE774D08LZ5	06-Jun-16	8.80	06-Jun-26	27.83	CARE AAA; Stable
Subordinated Debt	INE774D08MA6	06-Jun-16	9.00	06-Jun-26	852.33	CARE AAA; Stable
Subordinated Debt	INE774D08MF5	06-Jun-16	8.80	06-Jun-26	0.25	CARE AAA; Stable
Subordinated Debt	INE774D08MG3	06-Jun-16	9.00	06-Jun-26	26.96	CARE AAA; Stable

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Date of Maturity	Size of Issue	Rating assigned along with
					(₹Crore)	Outlook
Total Subordinated Debt Public Issue					933.00	
Subordinated Debt	INE774D08MO7	18-Jan-19	9.35	18-Jan-29	0.50	CARE AAA; Stable
Subordinated Debt	INE774D08MP4	18-Jan-19	9.50	18-Jan-29	336.37	CARE AAA; Stable
Secured NCD*	INE774D07ST5	18-Jan-19	9.10	18-Jan-24	-	Withdrawn
Secured NCD*	INE774D07SU3	18-Jan-19	9.15	18-Jan-24	-	Withdrawn
Secured NCD	INE774D07SV1	18-Jan-19	9.20	18-Jan-27	17.55	CARE AAA; Stable
Secured NCD	INE774D07SW9	18-Jan-19	9.30	18-Jan-27	851.61	CARE AAA; Stable
Proposed Issue	NA	NA	NA	NA	2,853.00	CARE AAA; Stable
Total Long-term Debt Programme (Non-Convertible Debentures/Subordinated Debt Public issue)					4,059.03	

*ISIN INE774D07ST5 and INE774D07SU3 have been matured and redeemed.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Debentures-Non Convertible Debentures	LT	175.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
2	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1)CARE AAA; Stable	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable	1)CARE AAA; Stable

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
					(11-Sep-23)		(17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	(07-Oct-20)
3	Debentures-Non Convertible Debentures	LT	400.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
4	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
5	Debentures-Non Convertible Debentures	LT	700.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
6	Debt-Subordinate Debt	LT	300.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
7	Debentures-Non Convertible Debentures	LT	520.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21)	1)CARE AAA; Stable (07-Oct-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
							3)CARE AAA; Stable (13-May-21)	
8	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
9	Debt-Subordinate Debt	LT	933.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
10	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable	1)CARE AAA; Stable (07-Oct-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
							(06-Oct-21) 3)CARE AAA; Stable (13-May-21)	
11	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
12	Debentures-Non Convertible Debentures	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
13	Debt-Non-convertible Debenture/Subordinate Debt	LT	9059.03	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21)	1)CARE AAA; Stable (07-Oct-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
							2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	
14	Debentures-Non Convertible Debentures	LT	143.50	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
15	Debentures-Non Convertible Debentures	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	1)CARE AAA; Stable (07-Oct-20)
16	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	1)CARE AAA; Stable	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable	1)CARE AAA; Stable

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
					(11-Sep-23)		(17-Nov-21) 2)CARE AAA; Stable (06-Oct-21) 3)CARE AAA; Stable (13-May-21)	(07-Oct-20)
17	Debt-Subordinate Debt	LT	160.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21)	-
18	Debentures-Non Convertible Debentures	LT	850.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21)	-
19	Debentures-Non Convertible Debentures	LT	4000.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	-	-
20	Debt-Subordinate Debt	LT	1000.00	CARE AAA; Stable	1)CARE AAA; Stable (11-Sep-23)	1)CARE AAA; Stable (10-Oct-22)	-	-

*Long term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Simple
2	Debt-Non-Convertible Debenture/Subordinate debt	Simple
3	Debt-Subordinate Debt	Complex

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of all the entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Mahindra Insurance Brokers Ltd (MIBL)	Full	Subsidiary & linkages with Mahindra and Mahindra Financial Services Limited
2	Mahindra Rural Housing Finance Ltd (MRHFL)	Full	Subsidiary & linkages with Mahindra and Mahindra Financial Services Limited
3	Mahindra & Mahindra Financial Services Ltd Stock Option Trust	Full	Subsidiary & linkages with Mahindra and Mahindra Financial Services Limited
4	Mahindra Rural Housing Finance Ltd Employee Welfare Trust	Full	Subsidiary & linkages with Mahindra and Mahindra Financial Services Limited
5	Mahindra Finance CSR Foundation	Full	Subsidiary & linkages with Mahindra and Mahindra Financial Services Limited
6	Mahindra Ideal Finance Ltd	Moderate	Subsidiary & linkages with Mahindra and Mahindra Financial Services Limited
7	Mahindra Manulife Investment Management Private Ltd (JV)	Moderate	Joint Venture & linkages with Mahindra and Mahindra Financial Services Limited
8	Mahindra Manulife Trustee Company Private Ltd (JV)	Moderate	Joint Venture & linkages with Mahindra and Mahindra Financial Services Limited
9	Mahindra Finance USA, LLC (Associate)- JV with Rabobank group subsidiary.	Moderate	Associate & linkages with Mahindra and Mahindra Financial Services Limited

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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