

## Mahindra and Mahindra Financial Services Limited

October 09, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Secured non-convertible debenture (NCD Privately Placed)	14,288.50	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)	2760.00	CARE AAA; Stable	Reaffirmed
Long-term debt programme (public issue non-convertible debentures/subordinated debt)	4059.03	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### 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)

### 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

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

**Strong parentage, shared brand and experienced Board of Directors and management team**

MMFSL is a subsidiary of Mahindra & Mahindra Ltd, 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 as well as management support. Mr. Anish Shah, Managing Director & CEO of Mahindra & Mahindra Limited, is also the Chairman of the company.

Mr. Raul Rebello has assumed the position of "Managing Director & CEO" of the Company with effect from 30th April 2024 on superannuation of Mr. Ramesh Iyer from the position of Vice-Chairman and Managing Director of the Company with effect from close of business hours of 29th April 2024.

**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 vehicles which constitute 43% of AUM of MMFSL as on June 30, 2024. Strategic importance of MMFSL can also be seen by way of capital infusion done by the parent from time to time. Most recently, MMFSL raised Rs.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 June 30, 2024, M&M held 52.16% stake in MMFSL. Given the shared brand name and other linkages, the parent is expected 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 through 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, 2024, the gearing\* on a standalone level increased to 5.32x from 4.56x as on March 31, 2023 on account of growth in the loan book which led to increase in debt as on March 31, 2024. As on June 30, 2024, gearing stood at 5.33x owing to growth in the loan book which led to increase in debt from Rs. 92,226 crore as on March 31, 2024 to Rs.95,340 crore as on June 30, 2024.

On a standalone basis, MMFSL has consistently maintained a comfortable capital adequacy ratio (CRAR) at or above 18% over past 5 years. The company reported CRAR of 18.9% with Tier-I CAR of 16.4% as on March 31, 2024, and as on June 30, 2024 CRAR stood at 18.5% with Tier-I CAR at 16.4% 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 June 30, 2024, the borrowings stood at ₹ 95,340 crore (Consolidated ₹1,01,047 crore) as against ₹78,974 crore as on June 30, 2023, of which NCD/sub-debt contributed 25%, term loan - 48%, securitization/assignments - 6%, fixed deposits - 9%, Offshore borrowings - 4% and CP/ICD - 5%. The funding is also well-diversified across multiple lenders.

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

During the year ended March 31, 2024, the borrowings stood at ₹92,226 crore (Consolidated ₹98,319 crore) as against ₹74,946 crore as on March 31, 2023 of which NCD/sub-debt contributed 24%, term loan - 48%, securitization/assignments - 6%, fixed deposits - 8%, Offshore borrowings - 3% and CP/ICD - 7%. 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.

### **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 ₹1,02,597 crore as on March 31, 2024, as against ₹82,770 crore as on March 31, 2023. The AUM of MMFSL is well-diversified across asset classes like Passenger vehicles (40%), tractor (12%), commercial vehicles & Construction equipment (22%), Pre-owned vehicles (13%), SMEs and others (9%).

As on June 30, 2024, the AUM stood at ₹1,06,339 crore which has increased from ₹86,732 crore as on June 30, 2023. These proportions of portfolio mix have remained on a similar line for the past 3 years and are expected to remain diversified.

As on June 30, 2024, the total AUM of MRHFL stood at ₹7,201 crore and comprises 53% from rural sector while the balance 47% is from the semi-urban sector which is primarily catering to the affordable housing segment.

### **Moderate profitability parameters**

On a standalone basis, the PAT of the company stood at ₹1,760 crore in FY24 which has declined from ₹1,984 crore in FY23. Higher PAT in FY23 was largely on account of reversal of provisions of ₹1,212 crores done by the company.

During Q1FY25, the company reported PAT of Rs. 513 crores as against the PAT of Rs. 353 crore for Q1FY24.

On a consolidated level, the company reported PAT of ₹1,943 crore on a total income of ₹15,970 crore during FY24 as against the PAT of ₹2,071 crore on a total income of ₹12,832 crore during FY23. Provisions for FY24 increased to ₹1,956 crore as compared with ₹1,182 crore in FY23. 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)\* declined and stood at 1.70% in FY24 as against 2.19% in FY23.

During Q1FY25, on a consolidated level the company reported PAT of ₹497 crore as against ₹362 crore during Q1FY24 mainly because of the increase in interest income as well as sale of services from the insurance broking business. Going forward, CARE expects profitability to improve on account of improvement in opex and asset quality.

\*as per CARE Ratings' calculations

### **Key weaknesses**

#### **Moderate asset quality parameters**

As on March 31, 2024, GNPA ratio stood at 3.40% as against GNPA of 4.50% as on March 31, 2023. With provision coverage ratio (PCR) of 63.20% as on March 31, 2024, NNPA ratio stood at 1.30% as on March 31, 2024 as against NNPA of 1.87% as on March 31, 2023.

As on June 30, 2024, the GNPA ratio stood 3.56% as against 4.35% on June 30, 2023, on a standalone basis.

As on June 30, 2024, the company had total provisions of ₹3,528 crore of which ₹2,266 crore was towards stage-3 assets and PCR for stage-3 assets stood at 59.80% on a standalone basis. Write-offs during the FY24 stood at ₹1,715 crore.

### **Liquidity: Strong**

The company has strong liquidity profile with no negative cumulative mismatch across buckets as on June 30, 2024. 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 June 30, 2024, the company has liquid investment of around ₹10,455 crore as against the debt obligations of ₹8,578 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

[Consolidation](#)

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

## 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)	FY23 (A)	FY24 (A)	Q1FY25 (UA)
Total income	12,832	15,970	4,355
PAT	2,071	1,943	497
Total assets	105,085	1,23,716	1,26,406
NIM (%)	7.34	6.51	6.67
ROTA (%)	2.19	1.70	1.69

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

Brief Financials – Standalone (₹ crore)	FY23 (A)	FY24 (A)	Q1FY25 (UA)
Total income	11,056	13,562	3,760
PAT	1,984	1,760	513
Total assets	96,217	1,15,159	1,19,306
NIM (%)	7.12	6.32	6.50
ROTA (%)	2.31	1.66	1.87

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
<b>Total</b>					<b>1,000.00</b>	
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
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

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Date of Maturity	Size of Issue	Rating assigned along with
					(₹Crore)	Outlook
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
<b>Total Secured NCD Privately placed</b>					<b>14,288.50</b>	
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
<b>Total Subordinated Debt privately placed</b>					<b>2,760.00</b>	
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
<b>Total Subordinated Debt Public Issue</b>					<b>933.00</b>	
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	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

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Date of Maturity	Size of Issue	Rating assigned along with
					(₹Crore)	Outlook
Proposed Issue	NA	NA	NA	NA	2,853.00	CARE AAA; Stable
<b>Total Long-term Debt Programme (Non-Convertible Debentures/Subordinated Debt Public issue)</b>					<b>4,059.03</b>	

**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 2024-2025	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
1	Debentures-Non Convertible Debentures	LT	175.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
2	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)

3	Debentures-Non Convertible Debentures	LT	400.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
4	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
5	Debentures-Non Convertible Debentures	LT	700.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
6	Debt-Subordinate Debt	LT	300.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24)	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov-21)



						2)CARE AAA; Stable (11-Sep- 23)		2)CARE AAA; Stable (06-Oct- 21)  3)CARE AAA; Stable (13-May- 21)
7	Debentures-Non Convertible Debentures	LT	520.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar- 24)  2)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)
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)
9	Debt-Subordinate Debt	LT	933.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar- 24)  2)CARE AAA; Stable	1)CARE AAA; Stable (10-Oct-22)	1)CARE AAA; Stable (17-Nov- 21)  2)CARE AAA; Stable

						(11-Sep-23)		(06-Oct-21)  3)CARE AAA; Stable (13-May-21)
10	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24)  2)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)
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)
12	Debentures-Non Convertible Debentures	LT	1000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24)  2)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)
13	Debt-Non-convertible Debenture/Subordinate Debt	LT	9059.03	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
14	Debentures-Non Convertible Debentures	LT	143.50	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
15	Debentures-Non Convertible Debentures	LT	1000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)

16	Debentures-Non Convertible Debentures	LT	2500.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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)
17	Debt-Subordinate Debt	LT	160.00	CARE AAA; Stable	-	1)CARE AAA; Stable (28-Mar-24) 2)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 (28-Mar-24) 2)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 (28-Mar-24) 2)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 (28-Mar-24)	1)CARE AAA; Stable (10-Oct-22)	-

						2)CARE AAA; Stable (11-Sep- 23)		
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LT: 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](mailto:care@careedge.in) for any clarifications.

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