



ANALYSE INDIA

**Technical View by Nooresh**

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### **M&M Financial Concall Q4FY18**

- govt focus on support prices, good monsoon last year is good for rural economy
- added 100 branches
- we have increased market share in every product which we are present
- added presence in 30-40k villages to existing 3lacs
- we dont see margin pressure as borrowing rates are going high, we are increasing lending rates in selective geographies
- q1 and q2 always push our npa's higher but this time it will not be much higher
- state elections are big booster for rural cash flows, got 5-6 state elections in coming years
- we have changed our stance from extra cautious to selectively positive to we have come out of deep trouble
- as there is much cash flow, we are going for recovery and settlement rather than taking possession and selling
- in rural economy if going forward looks positive people start spending
- mahindra auto and tractor will grow with oem growth ~12-15%
- in 2019 first half disbursement - north of 20% and if monsoons are good can inch upto 25% in second half , therefore aum growth of 18 to 22%
- some banks /nbfc's are going slow in up, rajasthan, mp, karnataka, east etc where opportunity arises for us
- growth from sme comes from mahindra ecosystem support, small trader financing
- overall growth in sme is 50% odd, can grow further at 30-40%



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- ncd book - avg duration is 33 months
- our ALMs are almost matched
- 80,000 crs AUM manageable in 3 years
- npa target this year - 7%
- in rural business there is no shrinkage of margins due to lower lending rates
- pre owned and sme book on a growing book will go to ~20%
- LTV have remained constant in pre owned book at ~73-74%
- market share for maruti has grown while our overall market share have remained same at 7-8%