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M&M Financial Services

M&M Financial Services, a 68 per cent subsidiary of the leading tractor and utility vehicle (UV) manufacturer Mahindra & Mahindra, is one of India's leading non-banking finance companies. The company provides finance for utility vehicles, tractors and cars to the rural and semi-urban sector with a strong distribution network of over 300 offices (in 2005-06). Though the company provides finance predominantly for M&M vehicles, it has gradually expanded its lending to non-M&M vehicles. The company's strategy is to provide a range of financial products and services to customers and position itself between the organised banking sector and local money lenders. The company has raised about Rs 400 crore through an initial public offer last year and has given a return of just 15 per cent over its issue price of Rs 200 per share. The stock looks fairly valued at 2.2 times estimated FY08 book value.