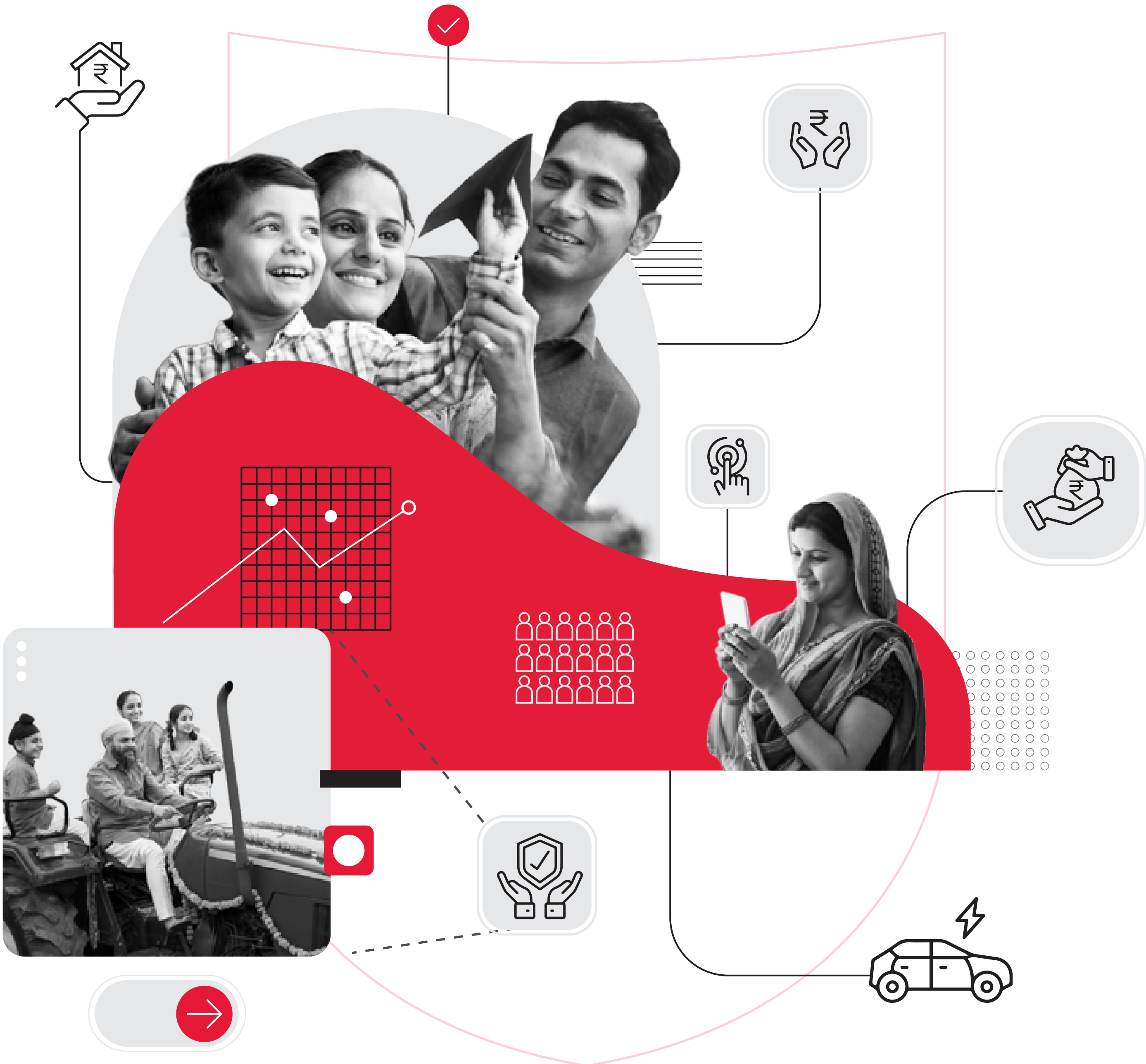
mahindra FINANCE

Integrated Report 2023-24



Emerging India's Trusted Partner

Empowering Aspirations. Realising Potential.

Contents

Emerging India's trusted partner

Empowering aspirations. Realising potential.

At Mahindra Finance, we are proud partners of India's growth, taking financial services to the farthest corners of the country. We are continually adapting to the evolving needs of our customers, leveraging technology and our strategic partnerships to widen the ambit of and access to financial services. Our ability to provide quick, flexible, competitive loan solutions enable various stakeholders in the Indian economy to partake of and contribute to its growing prosperity.

Led by our #TogetherWeRise ethos, we build abiding relationships of trust with our customers. We partner them through life's challenges and provide personalised support and guidance. We also retain a sharp focus on prudent management and maintaining healthy asset quality to generate enduring value for our stakeholders. Together, we are paving the way for a brighter tomorrow for all.

FY24 key highlights

Financial

₹56,208 cr
Highest-ever annual disbursement
13% Y-o-Y

1.7%
Return on Assets (RoA)

₹1,02,597 cr
Gross Loan Book
24% Y-o-Y

6.8%
Stable Net Interest Margins (NIMs)

₹1,760 cr
Profit After Tax (PAT)
11% Y-o-Y

Asset quality

- Sustained improvement in asset quality across Stage 2 and Stage 3
- Strong asset quality with gross stage 3 at 3.4%
- Collection efficiency at a healthy 96%

Capital management

18.9%
Capital adequacy ratio

315%
Dividend

Non-financial

10 mn+
Cumulative customer contracts

1.20 lakh+
CSR beneficiaries

85%
Employees volunteered for CSR activities

About the Report

Approach to reporting

Our FY24 Integrated Annual Report adheres to the internationally recognised Integrated Reporting <IR> framework and offers an in-depth look at Mahindra & Mahindra Financial Services Limited ("MMFSL"/ "Mahindra Finance"). This report delves into the core elements of our operations that drive value creation for all our stakeholders, including our performance, governance, key risks and opportunities, strategy, and future outlook.

Reporting scope and boundary

Reporting period

At the close of every financial year, we compile, produce, and publish a comprehensive report that sheds light on our strategy, business model, operating environment, key risks, stakeholder interests, performance, future prospects, and governance. This year's report spans the period from 01st April 2023 to 31st March 2024, offering a detailed snapshot of our journey and achievements.

Reporting boundary

In this report, we delve into the comprehensive operations of Mahindra Finance, also providing an insight into our subsidiary companies. Over the reporting year, our reach has expanded significantly, now encompassing 1,370 offices/ branches of MMFSL. This achievement marks a milestone for us, as it signifies our commitment to providing 100% coverage and service excellence across all our operations.

Financial and non-financial reporting

In this report, we move beyond conventional financial reporting to explore non-financial performance indicators, opportunities, risks, and outcomes linked to our key stakeholders. These stakeholders hold substantial sway over our value creation, underscoring the importance of their inclusion in our analysis.

Materiality

This report offers a comprehensive overview of all material aspects of our business. It is designed to address the key interests of our stakeholders, providing insights into our Company's performance, prospects, and commitment to creating sustainable, shared value. Every piece of information in this report is firmly grounded in the economic, social, and environmental context of our operations.

Our capitals

As we aspire to be a future-ready organisation, driving value in the realm of digital transformation, our success hinges on the effective management of different forms of capital. These include the diverse types of capital at our disposal (inputs), how efficiently we utilise them (value-enhancing activities), our impact on them, and the value we deliver (outputs and outcomes), all of which are interconnected.

- Financial Capital
- Human Capital
- Manufactured Capital
- Social and Relationship Capital
- Intellectual Capital
- Natural Capital

Targeted readers

This report is crafted to address the critical information required by our long-term investors, including equity shareholders and prospective investors. It also encapsulates our value creation strategy for other vital stakeholders such as employees, partners, suppliers, customers, regulators, and society at large. Through this Integrated Report, we aim to provide a comprehensive view of our commitment to these stakeholders.

Report alignment

This report aligns with the principles and guidelines applicable to our Company, including but not restricted to:

- Global Reporting Initiative (GRI): in accordance with the core option
- International <IR> framework of the International Integrated Reporting Council (IIRC) (now known as Value Reporting Foundation)
- United Nations Sustainable Development Goals (UNSDGs)
- United Nations Global Compact (UNGC) Principles
- National Guidelines on Responsible Business Conduct (NGRBC)
- Directions and circulars issued by the Reserve Bank of India
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards and International Financial Reporting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable SEBI Regulations

Applicable Sustainability/ESG indices

Recognised by industry-leading rating and ranking agencies, our diligent efforts towards promoting sustainable development form the backbone of our operations.

- **UN Global Impact -** First NBFC in India to join the United Nations Global Impact Network
- **CDP -** CDP rating level B-

Board's support for value creation

To our shareholders and other stakeholders

We are delighted to share our FY24 Integrated Annual Report with our shareholders and other stakeholders. This report offers pertinent insights into our performance, operating context, governance, material risks and opportunities, strategy, and prospects at Mahindra Finance.

As the Board, we recognise our duty to uphold the integrity of this Integrated Annual Report. We have carefully deliberated and believe that this report addresses all material issues, presenting a fair and accurate depiction of our Company's integrated performance and its impact.

Assurance

We ensure the accuracy and reliability of the information in this report through a meticulous assurance process. This process includes our internal experts and an independent third-party assurance provider, DNV Business Assurance India Private Limited. For further details, please refer to our Assurance Statement on page 71.

You can view the Integrated Report by accessing the QR Code as under:

About the cover:

Cover showcases the extensive reach of Mahindra Finance across both rural and urban India

Chairman's Message

Emerging India's trusted partner

Dear Stakeholders,

Life is a natural cycle of beginnings and endings. In April 2024, we bid farewell to Ramesh Iyer, who superannuated from his role as Vice Chairman & Managing Director. We are deeply thankful to Ramesh, who over three decades laid a strong foundation, transforming Mahindra Finance into a robust institution.

₹1,00,000 cr+

AUM milestone crossed in FY24

AAA/Stable

Rating maintained by four rating agencies

We also welcome aboard our new CEO, Raul Rebello, who has diligently prepared himself for this role during his tenure as COO, bringing a wealth of experience in scaling large businesses and shaping a future-ready company. The seamless transition in leadership underscores their shared commitment to our Group's core values, promising a bright chapter ahead for our institution.

In the words of Rajendra Prasad, the first President of India, 'There is no resting place for a nation or a people on their onward march.' Despite tightening financial conditions, simmering geo-political risks, and adverse weather patterns last year, India demonstrated this spirit by not pausing in its journey towards progress. With strong domestic and rural demand, robust investment, and manufacturing momentum, India continued its forward march with resilience, amid global headwinds.

India is currently on a transformation path, focused on enhancing physical, digital, and social infrastructure at a record scale and pace. Our vision for Mahindra Finance is to become the partner of choice for Emerging India. The growth engines of our nation are in the vibrant cities, towns and rural landscapes brimming with entrepreneurial spirit and innovation.

Mahindra Finance has established a very strong financing platform in rural and semi-urban India, with nationwide physical presence, extensive local insights, a deep understanding of the customer across the credit spectrum and strategic partnerships within the ecosystem. Over the past couple of years, we are making significant investments in data and technology. We are transforming sourcing, underwriting, disbursements, and collections processes, using data analytics to drive faster decisions, with the objective of creating an outstanding customer experience for Emerging India.

We have met our commitments to significantly improve asset quality. Our sustainable business growth is intricately linked with a vigilant focus on risk management. Our approach is to attract customers within our defined risk guardrails, improve our underwriting capabilities, and maintain a high level of collection efficiency, ensuring the highest standards of governance and compliance. We recognize the critical importance of operational stability and strong controls as fundamental pillars of our operations.

In the past year, we achieved a significant milestone of ₹1,00,000 crore in assets under management (AUM) and surpassed 10 million customer contracts, backed by a robust asset quality trend. Noteworthy is our AAA/Stable long-term rating, endorsed by four rating agencies, reaffirming our continuous efforts to enhancing asset quality and ensuring a stable resource profile.

We remain committed to our purpose. Social impact is at the heart of our business model, as our solutions enable all our customers attain financial independence and create sustainable livelihoods. As a part of the Mahindra Group, we recognise the need to support the economic empowerment of women in our country. Girl child education through Nanhi Kali and skill enhancement to make women job-ready are our primary focus. We have also put in significant efforts into promoting financial literacy and environmental sustainability. Through a diverse array of such initiatives, we have positively impacted the lives of over 1,20,000 individuals. These diverse initiatives form the bedrock of the Mahindra purpose of RISE, which is to drive positive change in the lives of all our communities.

As we march forward on our transformation journey - stabilising asset quality, building a high-quality diversified business, strengthening technology and digital capabilities for data-backed decision-making, and building a high-performing organisation with future-ready human capital - we lay the foundation for what lies ahead.

Drawing wisdom from Mahatma Gandhi's words, 'The future depends on what you do today,' we express our deepest gratitude to our shareholders, the Board of Directors, management, associates and all our stakeholders for their unparalleled support over the past year. With a rising entrepreneurship culture, proactive Government support, and increased access to financing, the future is bright for the world's largest democracy. The future is bright for Emerging India.

Warm regards,

Dr. Anish Shah
Chairman

Managing Director & CEO's Message

Empowering aspirations. Realising potential.

Dear Stakeholders,

I pen down my first letter to you as Managing Director & CEO of Mahindra Finance with an incredible sense of excitement and optimism as we move ahead into the future to realise the full potential of financial services, thus empowering the aspirations of our customers and stakeholders.

At the outset, I express my sincerest gratitude to the Board for reposing trust in me and my predecessor, Mr. Ramesh Iyer who has been instrumental in building Mahindra Finance into a formidable franchise. His leadership has been inspiration to many, reinforcing the values that we stand for today.

It is our goal to emerge as a preferred financial services company for Emerging India. Towards this, we have put in place a robust plan to diversify our product portfolio, strengthen risk culture and governance, maintain broad base liability mix and optimise borrowing profile, in the process being agile in our outreach. Investments are being made to modernise as well as transform our tech architecture and enhance digital capabilities leading to improved customer experience and employee productivity.

During the year under review, we continued to deliver profitable growth, improve asset quality, and launch innovative products and solutions attuned to customers' needs. We partnered with institutions like State Bank of India, Bank of Baroda and Lendingkart to further augment our offerings. Our disbursements grew by 13% to ₹56,208 crore enabling our Assets Under Management (AUM) to cross a significant milestone of ₹1,00,000 crore. The AUM grew 24% over previous year to ₹1,02,597 crore, witnessing secular growth across categories and further strengthening our market share in the financing of passenger vehicles, pre-owned vehicles, and tractors. Our total income registered a strong growth of 23%, at ₹13,562 crore compared to ₹11,056 crore in the previous year, with the Pre-Provisioning Operating Profit at ₹4,178 crore a growth of 11% over the previous year. The Profit After Tax (PAT) though healthy was lower at ₹1,760 crore compared to ₹1,984 crore in the previous year due to writeback of provisions in the previous year.

We continued to improve our asset quality with stage 3 assets declining 110 basis points to 3.4%, the lowest in the last 10 years, while stage 2+3 assets came down to 8.4% from 10.4% in the year-earlier period, which can be attributed to our focus on sourcing business from customer segments within the risk guardrails, strengthening our underwriting capabilities, and deploying best-in-class collection practices. Today, about 70% of our total collections happen digitally, leading to stronger efficiency.

Our business has historically operated under a fully decentralised model, allowing us to be agile. While we will retain this decentralised approach, we have added a central oversight system. As on date, 100% of our branches have implemented the Central Processing Centre (CPC) system transitioning from fully decentralised checks to having a second level of centralised checks on documents and pre-disbursement formalities. We are also putting in additional safeguards and further strengthening our checks and balances by deploying digital due diligence tools around customer onboarding and accelerating the timeline for the centralisation of document reviews, ensuring our business model remains robust with its inherent ability to mitigate such risks.

I am happy to mention that your Company has obtained a Certificate of Registration from IRDAI to act as a Corporate Agent (Composite). The corporate agency license would help in broadening Mahindra Finance's product portfolio by incorporating insurance solutions, thereby helping customers with their financial and insurance needs being met by a single entity.

In our quest to realise the full potential of financial services and deepening our presence across Emerging India we plan to add over 150 branches over the next 12-18 months while continuing to invest in strengthening distribution, technology backbone, digital assets as well as human capital across functions and businesses. Further, we have expanded our leadership team by bringing onboard proven talent from the BFSI sector to strengthen functions such as risk, underwriting, collections, and data analytics. We have also onboarded data scientists, business analysts, data engineers, and AI experts, who are providing powerful risk insights and enhancing our underwriting models.

As we achieved ₹1,00,000 crore AUM at the Company level, we also crossed milestones at two of our subsidiary businesses. Mahindra Insurance Brokers achieved a total income of ₹1,095 crore and a Profit After Tax or PAT of ₹124 crore in FY 2024. Mahindra Manulife our asset management company now has over ₹20,000 crore AUM. These businesses are poised well to take-off and contribute meaningfully to create value in the years to come.

I believe, with the further strengthening and expansion of our business model, we will continue to be the trusted partner of our customers in realising their aspirations and prosperity, thereby taking Mahindra Finance to greater heights and creating sustainable value for all our stakeholders.

Regards,

Raul Rebello

Managing Director & CEO

Board of Directors
(as on date)

Building on a strong foundation

We are governed by a diverse Board comprising veteran professionals who bring to the table their deep industry knowledge, diverse perspectives, and unique understanding of technical, financial, and non-financial matters, market dynamics, consumer needs, and regulatory requirements. They ensure comprehensive oversight and strategic guidance.

59 years
Average Director age as of 31st March 2024

98%
Average attendance rate at Board meetings in FY24

6.6 years
Average tenure of Independent Directors as on 31st March 2024

8 out of 9
Committee Chairpersons are Independent Directors

2
Independent Women Directors

Standing
(Left to right)

Mr. Amarjyoti Barua
Non-Executive Non-Independent Director

Mr. Ashwani Ghai
Non-Executive Non-Independent Director

Mr. Milind Sarwate
Independent Director

Mr. C. B. Bhave
Independent Director

Mr. Raul Rebello
Managing Director & CEO

Mr. Diwakar Gupta
Independent Director

Sitting
(Right to left)

Mr. Dhananjay Mungale
Independent Director

Dr. Rebecca Nugent
Independent Director

Ms. Rama Bijapurkar
Independent Director

Dr. Anish Shah
Non-Executive Chairman

Mr. Vijay Kumar Sharma
Additional Non-Executive Independent Director

Steering Committee & CS

(as on date)

Our executive leadership steers our journey ahead through strategic decision-making, efficient risk management, and its oversight on policy implementation. By aligning our business operations with regulatory standards and market demands, the Steering Committee ensures sustainable growth and financial stability.

Standing
(Left to right)

Sitting
(Right to left)

Steering Committee members

Mr. Vivek Karve
Chief Financial Officer - Mahindra Finance & Financial Services Sector ("FSS")

Mr. Devendra Sharnagat
Chief Data & Analytics Officer

Mr. Sandeep Mandrekar
Chief Business Officer - Core Wheels

Mr. Ruzbeh Irani
President - Group Human Resources - Mahindra Group

Mr. Shantanu Rege
MD & CEO, Mahindra Rural Housing Finance Limited

Mr. Anthony Heredia
MD & CEO, Mahindra Manulife Investment Management Private Limited

Mr. Manish Sinha
Chief Human Resource Officer - Mahindra Finance & FSS

Mr. Vedanarayanan Seshadri
Managing Director & Principal Officer - Mahindra Insurance Brokers Limited

Ms. Deepa Ranjeet
Chief Digital Officer - FSS & Head of Information Technology

Mr. Mohit Kapoor
Group Chief Technology Officer, Mahindra Group

Mr. Raul Rebello
Managing Director & CEO

Ms. Farida Balsara
Chief Legal Officer - Mahindra Finance & FSS

Company Secretary

Ms. Brijbala Batwal
Company Secretary

*Mr. Mahesh Rajaraman has joined the Company as Chief Risk Officer effective 12th June 2024.

Value Creation for Stakeholders

Partnering for collective success

We relentlessly strive to create value for all our stakeholders. Our functional models are designed to factor in their needs and expectations, enabling us to deliver greater impact.

Investors

We place a high value on transparency, building strong relationships, and safeguarding the diverse interests of our investors.

₹1,760 cr
PAT

1.28%
Net stage 3 ratio

10%
ROE

18.9%
Capital adequacy ratio

6.8%
Net Interest Margin (NIMs)

13%
Y-o-Y growth in disbursement

People

We hold our employees in high regard, ensuring a workplace that is safe, inclusive, and nurturing. Through substantial investments in training, education, and employee well-being, we actively promote their personal and professional growth.

7,400+
New employees recruited

1,200+ branches
In which Emergency Response Team members have been deployed

2,71,000+
Training hours

Environment

At Mahindra Finance, we are dedicated to ensuring that all our activities are conducted with attention to limiting harm to the environment and minimising resource use.

2.92 GJ
Per employee energy intensity

43+ tonnes
E-waste recycled

39,700+
Electric vehicles financed

3,97,000+
Saplings planted

Suppliers and vendors

By collaborating with our supply chain partners, upholding their interests, streamlining our processes, and engendering transparency in the system, we benefit them. We also work closely with our stakeholders to ensure compliance with our rigorous sustainability standards and promote the adoption of sustainable practices.

13.15%
Sourced from MSME suppliers

~₹14,500 lakh
Purchase from MSME suppliers

Communities

Through our community-focused CSR initiatives, we aim to create opportunities for progress and change lives. We empower marginalised groups, champion gender equality, and support social welfare programmes. Together, we forge resilient communities, creating a brighter future for all.

1.20 lakh+
Lives impacted through CSR initiatives

Customers

Our customer-centric approach drives us to offer tailored solutions that cater to customer-specific needs. Leveraging the latest technologies, we provide a seamless and convenient experience to our customers, empowering them to effortlessly pursue their financial goals.

3.31 mn+
Customer app downloads

Strategic Priorities

Driving growth with purpose

While maintaining a broad-based liability mix, we are diversifying our business, strengthening our digital backbone, and enriching our human capital through focused hires and skill-building to become Emerging India's preferred partner for financial services.

Stabilise asset quality

<4.5%

GS3

Initiatives

- Target resilient customers: Identified resilient segments in the existing MMFSL customer base as well as in broader Emerging India. The institutionalisation of a customer-centric approach in sourcing and lifecycle management is underway.
- Streamlining processes: Stronger underwriting through integrations with third party API and databases and rule engines guided by policies. Enhancing collection efficiency through analytics-driven bounce prediction, PQA, efficient stockyard management etc.
- Robust operations and controls:
  - Enhancing scorecards and setting up Fraud Control Unit
  - Digital & analytics enabled collections and stringent legal toolkits
  - Best-in-class compliance culture through compulsory trainings for business teams, periodic in-house testing, and enhanced audit scope

Outcomes

Effective deployment of capital and efficient portfolio discipline help manage risk and drive sustainable returns.

Capitals impacted

Recharge growth

15-20%

AUM growth

Initiatives

- Build customer centricity:
  - Identified 'what', 'when', and 'how' of key financial services needs of Emerging India; channel strategy, product and policies, and customer journeys are being reimagined to address the key needs of target customers
  - Focusing on cross-selling and up-selling to the existing customer base
- Strengthening the core through Wheels 2.0:
  - Retaining leadership in the Vehicle business and growing with a focus on improving RoAs and driving efficiencies in channels and operations
- Scaling non-core businesses for a diversified portfolio:
  - Focus on building high value generating businesses in-house
  - Scaling non-vehicle lending businesses (SME, Business Loan, Loan against Property and Personal Loan) and non-lending businesses across MFs, Insurance, and FD
- Leveraging internal and external high impact ecosystem partnerships, including Group companies, dealer/OEMs, aggregators, other financial institutions, etc.

Outcomes

Advance prosperity of resilient customers in Emerging India by fulfilling their financial solutions needs.

Capitals impacted

Strengthen tech and digital

Initiatives

- Completed cloud infrastructure setup; data platform modernisation is underway
- System-driven fulfilment of the needs of target customers: Data and AI/ML analytics-based customised product offerings across lifecycle, quick and seamless journeys, regular engagement etc.
- System integrations with channel partners, aggregators, and co-lending platforms
- Enhanced cross-sell funnel and pre-approved offer engine for loans, insurance, and investments

Outcomes

Through technology and digital expertise, we deliver an excellent customer experience and improve internal efficiencies by harnessing our internal knowledge, data, analytical resources, and partnerships with leading external organisations.

Capitals impacted

Future-ready human capital

Initiatives

- New roles and organisational set up to drive branch ownership and better coordination
- Focus on seamless customer engagement and experience at branches by refining policies and processes, customised training on customer service for branch staff etc.
- Conducting BRSR training for employees covering 9 principles of NGRBC to inculcate ESG preparedness

Outcomes

By building future-ready organisational policies and capabilities, we aim to improve both customer experiences and employee engagement.

Capitals impacted

Our diverse loan products and investment opportunities are designed to address all aspects of a customer's financial needs. Our customised solutions are backed by integrated customer support throughout the entire customer lifecycle. Our vast branch presence, personalised assistance through dedicated RMs, as well as online and mobile platforms enable ease of access and seamless customer experience.

Providing 360-degree Service

Our comprehensive range of financial solutions positions us as a trusted partner for individuals and businesses. Through our diverse loan products, investment opportunities, extensive branch network, and international operations, we are able to address the full spectrum of customer needs.

Our loan products cater to different personal and business needs, be it for financing tractors, personal or commercial vehicles, home loans, personal loans, loan against property, machinery loans, and SME business loans. This extensive range of loan offerings enables our customers to meet their aspirations and the need of the hour.

In addition to lending, we also offer attractive investment opportunities. Our FD schemes like Samruddhi and Dhanvruddhi, provide customers with secure and rewarding investment opportunities. The availability of mutual funds broadens the investment horizon, enabling customers to diversify their portfolios and potentially enhance their wealth.

We boast an extensive branch network, and our vast presence through 1,370 offices/branches ensures our customers can conveniently access our services and receive personalised assistance. The branch network serves as a vital link, enabling us to build strong relationships with our customers and provide localised support.

We also have a robust international presence through our joint venture Mahindra Finance USA LLC, which offers wholesale and retail financing for Mahindra tractors in the US. Additionally, Mahindra Ideal Finance Limited (MIFL), a fast-growing NBFC in Sri Lanka and subsidiary of our Company, provides leases, loans, gold loans, and fixed deposits through its branch network and strategic alliance with Ideal Motors. Our international operations demonstrate our dedication to delivering financial solutions to customers across the world.

Who We Are

Empowering Emerging India

Mahindra Finance is one of India's leading NBFCs, dedicated to delivering quality financial products and solutions to a diverse customer base across India, including in rural and semi-urban areas. Our commitment is rooted in the belief that financial inclusion is critical to empowering communities and ensuring the growth of the nation.

Our core business revolves around providing tailored financing solutions to individuals and businesses. These include loans for the purchase of new and pre-owned vehicles, including auto and utility vehicles, tractors, passenger cars, commercial vehicles, and construction equipment. We also provide housing finance, personal loans, financing to small and medium enterprises, insurance broking, and mutual fund distribution services.

Our strong relationships with dealers and partnerships with Original Equipment Manufacturers (OEMs) enable us to offer convenient on-site financing at dealerships. Our presence at the point of sale simplifies the purchase process, enabling the customer to access quick, flexible, short-term credit.

We offer our services abroad through Mahindra Finance USA LLC, our joint venture with a subsidiary of the Rabobank Group. In the US, we offer wholesale inventory financing to dealers and retail financing to customers for the purchase of Mahindra Group products.

Key facts

₹1,02,597 cr
Gross Loan Book

2.6 lakh
Employees across Mahindra Group

1,370
MMFSL Network/ Pan-India offices

About Mahindra Group

Founded in 1945, the Mahindra Group is one of the largest and most admired multinational federation of companies with presence in 100+ countries. For over seven decades, the Group has undergone a series of transformational changes while staying true to its core mission: to bring together diverse, future-facing industries and communities to co-create a positive world, where one enables the other to Rise. The Group enjoys a leadership position in farm equipment, utility vehicles, information technology, and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality, and real estate.

The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living. Its goal is to drive positive change in the lives of communities and stakeholders, enabling them to Rise.

Vision

Leading and responsible financial solutions partner of choice for Emerging India

Purpose

Drive positive change in the lives of our communities. Only when we enable others to rise will we rise #TogetherWeRise

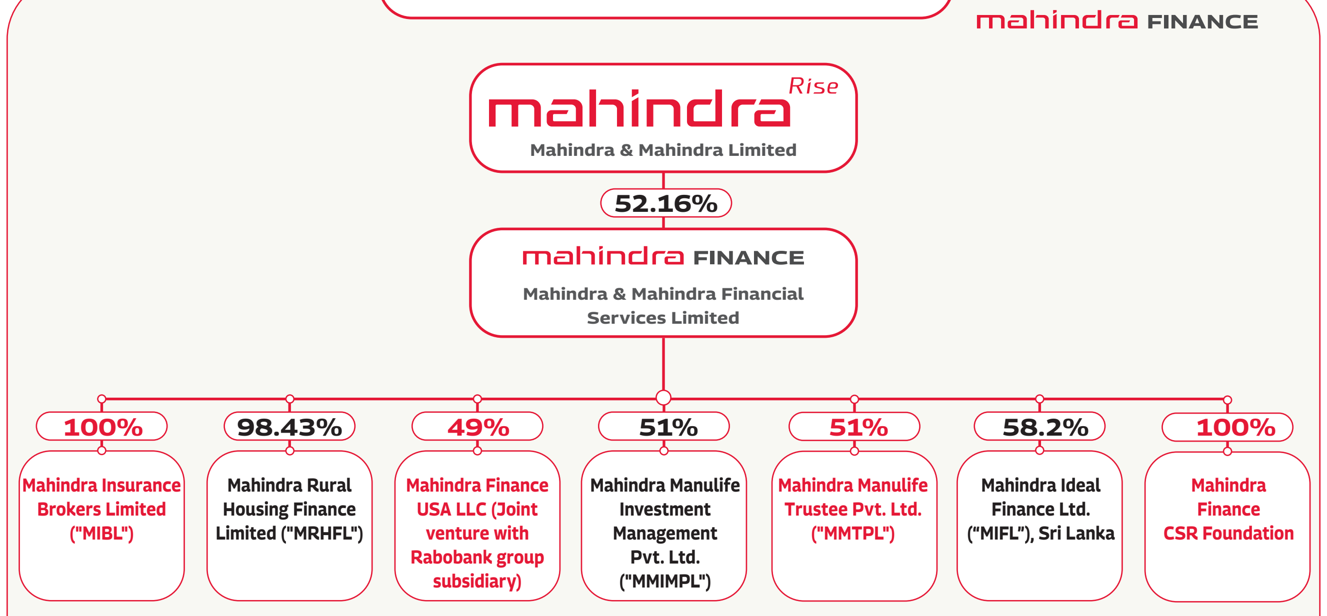
Core Values

- Professionalism
- Good Corporate Citizenship
- Customer First
- Quality Focus
- Dignity of the Individual

Brand Pillars

Rise for a more **equal world.**	Rise to be **future-ready.**	Rise to **create value.**
Climate change	Customer focused	Entrepreneurship
Inclusion	Technology	Scale
Ethics	Innovation	Impact

Mahindra Finance architecture



Notes:

1. MIBL became wholly-owned subsidiary of the company w.e.f. 22nd September 2023.
2. Balance 1.57% held by MRHFL employee welfare trust and employees.
3. Manulife Investment Management (Singapore) Pvt. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.

Product Portfolio

Unleashing the full potential of financial services

Our diverse product portfolio is informed by our deep understanding of customer needs. The comprehensive range of our financial solutions ensures that individuals and businesses alike can access necessary financial support to achieve their goals, fostering economic growth and stability in underserved regions.

Vehicle and tractor financing

Areas of strength and differentiation

- Diverse vehicle financing: Auto, utility, tractors, commercial vehicles, and construction equipment
- Broad customer base: Transport operators, farmers, businesses, self-employed, and salaried individuals
- Pre-owned vehicle financing: Meeting demand and potential in the used-vehicle market

KPIs

₹9,35,800+
New contracts financed

24%
Increase in book size

SME financing

Areas of strength and differentiation

- Diverse loan offerings: Project finance, equipment finance, working capital finance, and more for SMEs
- Targeted sectors: Auto ancillary, engineering, and food/agri-processing industries for specialised support
- Mahindra Group advantage: Credibility, expertise, and resources as a trusted financial partner

KPIs

₹4,800 cr
AUM of MSME

Insurance broking

Areas of strength and differentiation

- Fulfil customer needs: Understand customer's insurance requirements, risk profile and provide simple, transparent and affordable life, health and asset protection solutions
- Provide end-to-end insurance advisory: Build trusted relationships with customers by providing end-to-end support across policy purchase, servicing, and claims settlement

KPIs

₹4,500 cr+
Gross premium

2.70 mn
Insurance contracts

Housing Finance (MRHFL)

Areas of strength and differentiation

- Extensive housing finance: Offers a wide range of housing loans for purchase, construction, extension, and renovation
- Focus on Emerging India: We specialise in providing loans specifically tailored to the unique needs of individuals in rural and affordable areas across India
- Comprehensive property solutions: Provides financing options for buying, renovating, extending, and improving homes in these regions

KPIs

₹2,071 cr
Loan disbursement

29,000+
New customer contracts

Mutual Fund (Mahindra Manulife)

Areas of strength and differentiation

- Consistent performance: Focused on delivering consistent investment performance across asset classes and product categories
- Long-term wealth creation: Focus on delivering long-term results through active management with diverse investment options: 22 schemes across equity, fixed income, multi asset, and liquidity funds
- Diverse investor base: Extensive reach allows us to access potential investors across retail, mass affluent, and institutional customer segments

KPIs

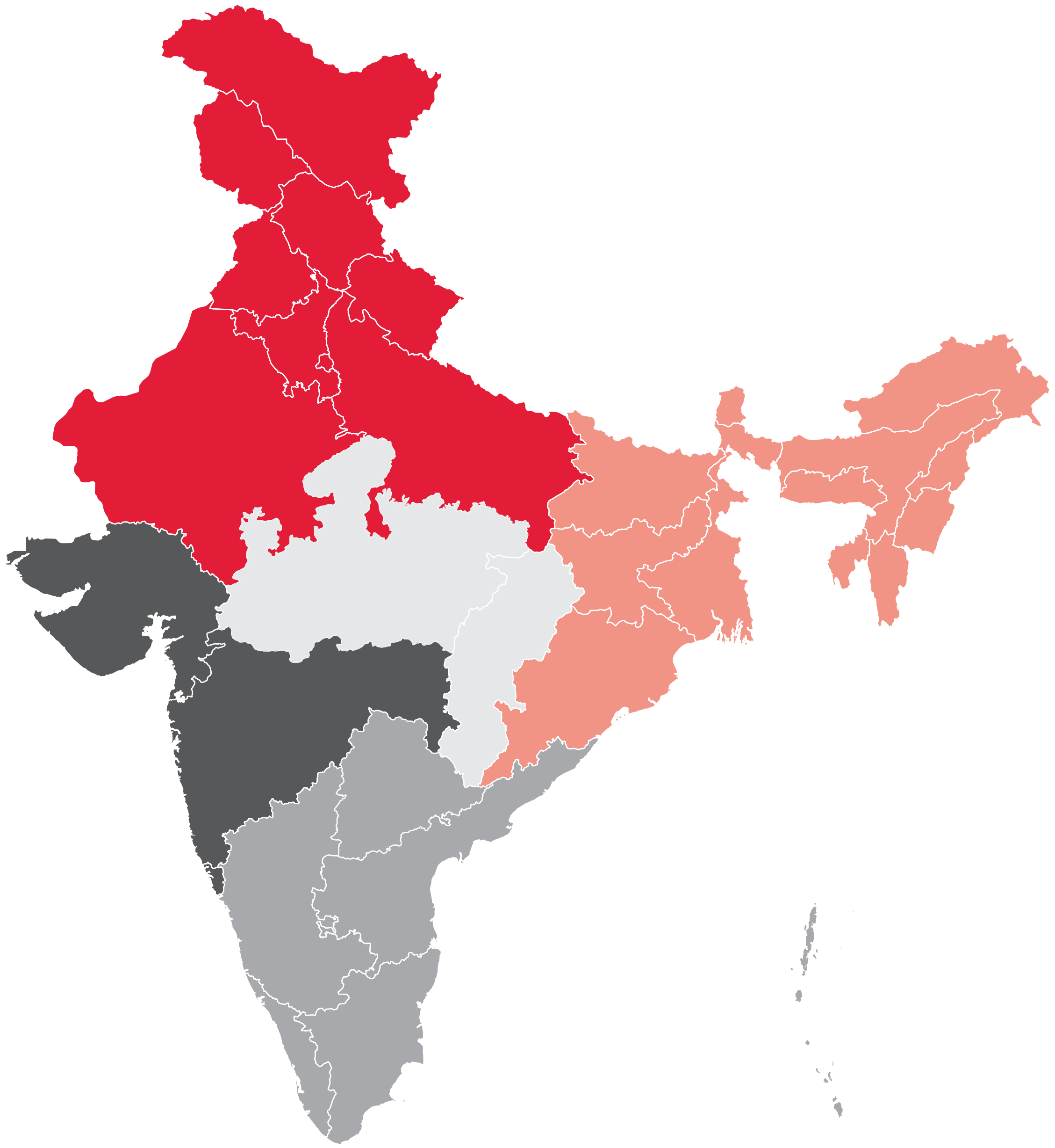
₹19,700 cr+
AUM as of 31st March 2024

58%
Increase in investor folios

Geographical Presence

Expanding our reach and impact

Our footprint spans the length and breadth of India, covering rural heartlands, semi-urban areas as well as bustling urban centres. Through our ever-growing branch network and digital platforms, we are making financial services accessible to the last mile population, ensuring they can benefit from the economic opportunities in Emerging India.



Note: Prepared on finance amount

Distribution by Geography On standalone Basis

Geography	Disbursement		Business Assets	
	FY24	FY23	March 2024	March 2023
North	34%	32%	33%	31%
South	20%	20%	19%	19%
East	19%	19%	20%	22%
West	16%	19%	18%	18%
Central	11%	10%	10%	10%

NORTH
- Chandigarh
- Delhi
- Haryana
- Himachal Pradesh
- Jammu and Kashmir
- Ladakh
- Punjab
- Rajasthan
- Uttar Pradesh
- Uttaranchal

SOUTH
- Andaman and Nicobar Island
- Andhra Pradesh
- Karnataka
- Kerala
- Puducherry
- Tamil Nadu
- Telangana

EAST
- Arunachal Pradesh
- Assam
- Bihar
- Jharkhand
- Meghalaya
- Mizoram
- Orissa
- Sikkim
- Tripura
- West Bengal

WEST
- Dadra and Nagar Haveli
- Gujarat
- Maharashtra
- Goa

CENTRAL
- Chhattisgarh
- Madhya Pradesh

Smart counters

Revolutionising customer service and dealer partnerships, we have introduced 514 innovative smart counters strategically placed within our dealers' locations. With minimal infrastructure and staff, these counters cater to the specialised needs of our dealer partners.

Physical assets

We have equipped our teams with essential IT assets like computers, laptops, and printers, enabling them to execute their tasks with maximum efficiency.
We have also strategically placed diesel generator (DG) sets at select locations for reliable power backup to ensure uninterrupted operations during power outages.

Key Performance Indicators

Delivering sustained growth over the years

With a proven track record, we remain confident about delivering consistent profitable growth and staying on track to deliver on our strategic targets.

Financial metrics

Total income
(₹ in cr)

FY24	13,562
FY23	11,056
FY22	9,719
FY21	10,517
FY20	10,245

22.67% | 7.26%

Profit after tax
(₹ in cr)

FY24	1,760
FY23	1,984
FY22	989
FY21	335
FY20	906

-11.29% | 18.06%

Earnings per share (Basic)
(₹ in cr)

FY24	14.26
FY23	16.09
FY22	8.02
FY21	3.03
FY20	10.09

Total assets
(₹ in cr)

FY2024	1,15,159
FY23	96,217
FY22	75,289
FY21	77,036
FY20	74,071

19.69% | 11.66%

Return on assets (ROA)
(%)

FY24	1.7
FY23	2.3
FY22	1.3
FY21	0.4
FY20	1.3

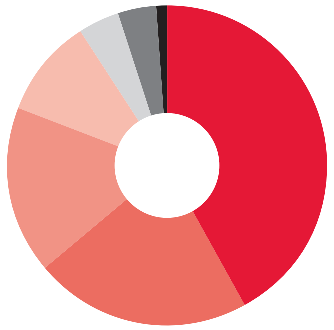
Return on net worth (RONW) (%)

FY24	10.0
FY23	12.1
FY22	6.5
FY21	2.5
FY20	8.1

Net worth
(₹ in cr)

FY24	18,157
FY23	17,089
FY22	15,628
FY21	14,712
FY20	11,364

Breakdown of asset book
(%)



Cars/Passenger Vehicles	42
Commercial vehicles and Construction Equipment	22
Pre-Owned Vehicles	17
Tractors	10
SME	4
Auto/3 Wheelers	4
Others[@]	1

Social Metrics

Number of lives impacted

FY24	1,20,112
FY23	2,56,507
FY22	3,61,943
FY21	51,763
FY20	1,00,190

CSR spend
(₹ in cr)

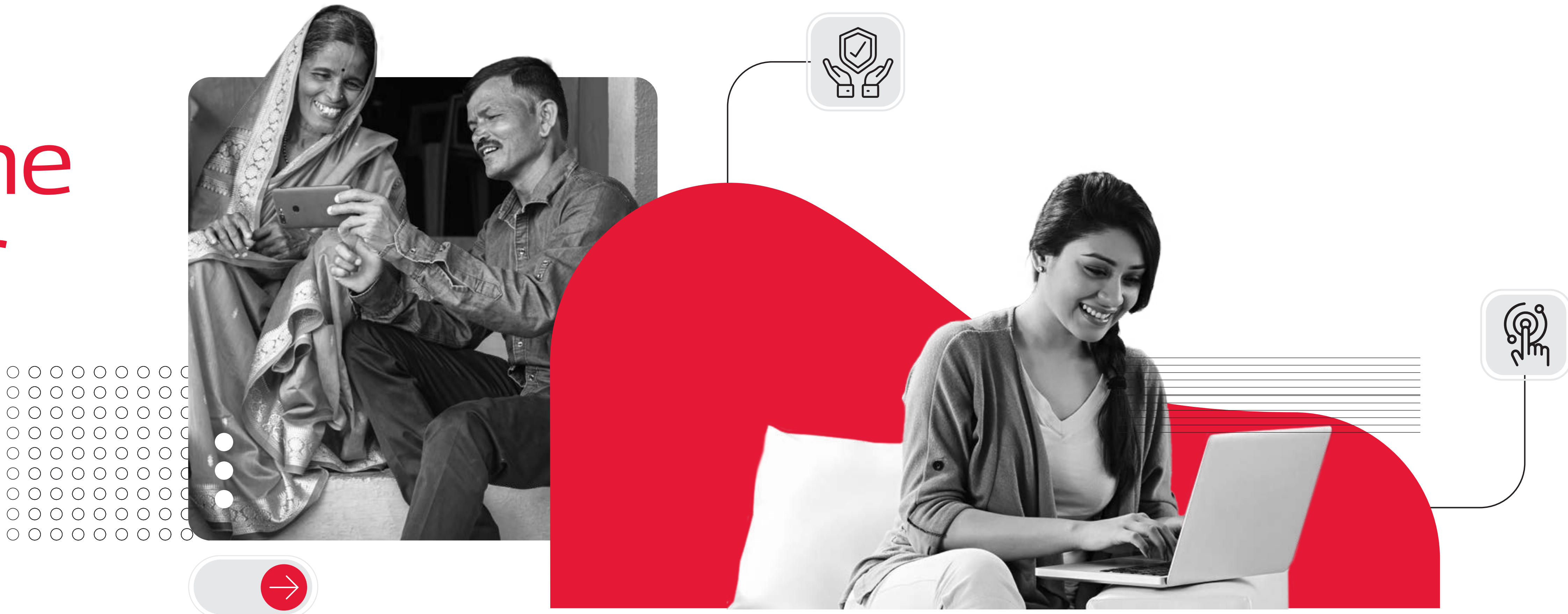
FY24	29.96[#]
FY23	37.22
FY22	37.51[*]
FY21	32.54
FY20	22.80

Y-o-Y | 4-year CAGR

All numbers are on standalone basis

[@] Others include Gensets, Personal and Consumer Loans.
[*] Includes ₹7.86 crore transferred to unspent CSR account towards the Company's ongoing project, which was spent in FY23.
[#] Includes ~₹4.71 crore transferred to unspent CSR account towards Company's ongoing project.

Changing Face of the Customer



Over the past few years, we have seen our customer profile change remarkably, encompassing wider demographics and geographies. This shift has been driven by various factors, including growing urbanisation, deeper internet penetration, digital acceleration, and evolving customer preferences. We are calibrating with agility to meet the financial needs of this diverse customer base while improving our underwriting capabilities and collection efficiency.

We have observed a significant increase in the number of young customers seeking financial solutions from Mahindra Finance. This demographic shift can be attributed to the rising aspirations of the youth, who are keen to invest in their dreams and secure a better future. Our tailored loan products, such as car loans and home loans, are catering to these aspirations, empowering young professionals to contribute to Emerging India's growing prosperity.

With the proliferation of smartphones and internet connectivity, customers are increasingly turning to digital platforms to access financial services. We have responded to this shift by enhancing our digital capabilities, offering online loan applications, quick approvals, and seamless digital payment options to attract an increasingly tech-savvy clientele.

We continue to expand our branch network to remote and rural areas, ensuring accessibility to underserved social segments. This has empowered farmers, small business owners, and individuals to access a variety of financial services to meet their goals in distant corners of the country.

Our customers today are more conscious of the impact their financial decisions have on the environment and society. In keeping with this growing awareness and to meet our own sustainability goals, we are developing innovative green financing solutions, increasing our investments in renewable energy and other environmentally responsible initiatives, and aligning our products with the values of environmentally conscious customers.

Value Creation Model

A tried and tested business model

Inputs

Financial capital
Equity - **₹18,157 cr**

Borrowings - **₹92,225 cr**

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Manufactured capital
Number of offices/branches - **1,370**

Smart counters - **514**

Page 22

Intellectual capital
Mobile app users - **11.23 lakh**

Digital collections - **₹10,562 cr**

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Human capital
Number of employees - **26,662**

Average training hours - **10.17**

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Social and relationship capital
Contribution by employees under various CSR programmes - **1,25,700+** Volunteering hours

Cumulative customer contracts - **10 mn+**

Page 58

Natural capital
Water consumed - **10,099.93 KL**

Energy usage - **81,639.69 GJ**

Page 63

Value creation process

Earn and pay segment for customers
Enabling livelihood creation by evaluating the earning potential of customers rather than their past financial history

Low-serviced regions
Focus on rural and semi-urban parts of India that are not covered by conventional banking services

Local employment
Hiring local people, generating employment opportunities and gaining a better understanding of markets and customers

Local suppliers
Preference given to local suppliers, thereby providing business opportunities and improving their service level with constant engagement

Local communities
Imparting financial literacy and focusing on livelihood, health and education in communities

Customised products and customer-centricity
Offering customised products and a flexible repayment schedule, and partnering with customers in meeting the needs of rural India

Strategy

Strategic priorities
Stabilise asset quality

Recharge growth

Strengthen technology and digital

Future-ready human capital

Sustainability roadmap
Greening ourselves

Decarbonising our industries

Rejuvenating nature

Activities to sustain value

Financial capital
- Strengthened our sustainable business model
- Maintaining strong corporate governance structures
- Regular investor communication

Manufactured capital
Value to customers

Intellectual capital
- Quicker turnaround time
- Improvement in collection efficiency
- Disbursement through digital channels
- Strengthened risk and compliance culture

Human capital
- Performance-oriented culture
- Strong focus on diversity
- Continuous productivity enhancement

Social and relationship capital
- Engaged actively with regulators, pursuing full compliance and driving societal contribution
- Continued investment in ensuring positive customer experience

Natural capital
- Strong focus on energy efficiency
- Operational excellence for resource conservation

Outcomes

Financial capital
Total income - ₹13,562 cr

(23% growth Y-o-Y)

EPS - ₹14.26

Manufactured capital
Loans disbursed - 10.60 lakh contracts

Customer Query Request Complaints resolved (QRCs) - 98%

Intellectual capital
- Best-in-class ecosystem benefitting customers
- Use of data-driven methods across business lifecycle operations

Human capital
New recruits - 7,452

Training hours - 2,71,000+ hrs

Social and relationship capital
Lives impacted through various CSR initiatives - 1.20 lakh+

Customer CaP score - 71

Natural capital
GHG emissions avoided - 78.76 tCO_2

SDGs impacted

Materiality Assessment

Addressing shared issues for mutual benefit

Our stakeholders are integral to our success story as their needs and interests guide our growth path. By focusing on material issues such as customer satisfaction, gender-diverse workforce, and environmental impact, we are building trust with our stakeholders and ensuring long-term business success and stability.

We followed the GRI Universal Standard 2021 process to identify key material themes based on our assessment of the economic, social, and environmental issues that impact our stakeholders and our growth plans. Our materiality determination process is comprehensive, taking into consideration both internal and external factors. External factors include existing economic conditions, global environmental issues, peer and industry analysis, and the needs and desires of our customers, suppliers, and partners. Internal factors include strategic growth goals, leadership perspectives, and employee needs.

What informed the process

- External factors gauged through peer and industry analysis
- Qualitative inputs from various stakeholders including employees, customers, and suppliers
- Feedback from survey assessments and other communications channels from various stakeholders
- Perspectives from our senior leadership and our business objectives

Materiality process

Identify
A variety of inputs including regulatory evaluations, peer benchmarking, and group management procedures are used to identify the material concerns

→

Prioritise
Prioritising material challenges based on their potential influence on the business, external environment, and important stakeholders

→

Validate
Validate with the management

→

Disclose
The most important topics are linked to key GRI standards indicators, and progress is reported

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Customer relationship management	● Risk ● Opportunity	High customer satisfaction leads to repeat business, positive word-of-mouth referrals, and enhanced brand reputation. Satisfied customers are more likely to remain loyal and engage in additional financial services, driving revenue growth. At the same time, any kind of dissatisfaction would directly lead to impact on business revenue.	Maintaining a high level of customer centricity in our business is the primary aim of customer service excellence programme and CPC 0.5 initiative.	**Positive:** Better customer reach, increase in customers' confidence and competitive advantage. **Negative:** Customer dissatisfaction may lead to legal risks and decreased revenue.
Diversity and equal opportunity	● Risk ● Opportunity	Diversity and inclusivity help drive a respectful and inclusive workplace for our colleagues and better service to our customers.	Initiatives like Spectrum 2023, podcast series, etc., are implemented to promote diversity and inclusion with our brand pillar. 'Rise for a More Equal World' helps to dismantle stereotypes.	**Positive:** Better employee performance, more talent attraction and expanded market reach. **Negative:** Non-diversity may result in reputation damage, limited talent pool and employee disengagement.
Digital Innovation	● Opportunity	Embracing digital innovation allows Mahindra Finance to improve operational efficiency, enhance customer experience, and develop innovative financial products and services. Digital transformation can lead to competitive advantages and new revenue streams.	Our Company's consistent step towards robust digital environment and digital investment ensures minimum use of paper-based transactions.	**Positive:** Better cost efficiency along with better customer reach and service through digital operations, reduced health hazard, reduction in collection cost and emissions.
Employee well-being	● Risk ● Opportunity	Prioritising employee well-being leads to higher job satisfaction, improved productivity, and reduced absenteeism. Supporting employee well-being fosters a positive work environment and contributes to overall organisational success.	Employees being our core assets over the years, we have been adopting best-in-class practices through initiatives and workshops.	**Positive:** Higher retention, positive workplace culture, and enhanced employer brand. **Negative:** Employees are our most important assets. Employee-related health issues directly affect the productivity and also increase operating costs.
Corporate governance	● Opportunity	Effective corporate governance ensures accountability, transparency, and ethical decision-making within the organisation. Strong governance practices enhance investor confidence, stakeholder trust, and long-term sustainability.	Our Company is dedicated to upholding integrity and transparency in all of its interactions, and it values ethical business practices highly.	**Positive:** Improved transparency and accountability, attracting more investors, maintaining shareholder confidence and long-terms sustainability.
Employee training and education	● Opportunity	Employees being the brand ambassador, carry our Company's mission of driving positive change and transforming rural life.	Our Company emphasises on employee learning and development, mentoring and knowledge sharing through various initiatives and organised programmes.	**Positive:** Implementing several initiatives and programmes to enhance employee skills and competencies to help them in their journey of personal and professional progress.
Climate change	● Risk	Climate change poses various risks, including physical risks (e.g., natural disasters), regulatory risks (e.g., carbon pricing), and reputational risks (e.g., association with environmentally harmful practices). Adapting to climate change and implementing sustainable practices are essential for mitigating these risks.	Operational resilience to the effect of climate change, abiding by the Paris agreement on climate change.	**Negative:** Our customers being climate dependent have their earnings linked to agri-output. Timely and spatial distribution of monsoon and other climatic factors play an important role in the earning and repayment capability of our customers; climate change impacts our Company's ESG ratings.

● Risk ● Opportunity

Sustainability Strategy

Strengthening resilience and relevance

We acknowledge the responsibility of businesses to help address climate change. Our sustainability strategy is rooted in the 3Ps of People, Planet, and Profit, and aligned with the three pillars of our parent company's Sustainability Framework.

Guided by our parent company, the Mahindra Group, and its motto of 'Rise for Good', we have been inspired to undertake meaningful initiatives and achieve milestones that demonstrate that sustainability is an integral part of our operations and ethos.

Mahindra Group Sustainability Mandate

Ambition: Global ESG Leader

Vision: Together we rise for Planet Positive

Greening ourselves

Net zero on scope 1+2 emissions (RE usage & energy efficiency)

Net zero on water and waste (reuse, reduce & recycle)

Adopting material circularity (reduce, recycle & green material)

Decarbonizing our industries (addressing Scope 3)

Transition to green portfolio (EVs in auto, LMM & logistics; green buildings & resorts; green energy-solar, hybrid, storage)

Supporting transition to net-zero supply chain (e.g.- Logistics)

Industry circularity (e.g - auto recycling)

Rejuvenating nature

Promoting regenerative agriculture (via improved farming techniques)

Afforestation at scale (Hariyali programme)

Biodiversity conservation (impact assessment and restoration)

Enablers

- Leading on Reporting & Disclosures
- Incubator for Green Technology
- Leadership Positioning Through Communication
- Active voice for Climate Advocacy
- Practical Capability Building Plan

Sustainability roadmap

People

Ensuring 'Rise' of stakeholders

Material topic	Goal statement	Performance measure	FY22 target	FY23 target	FY24 target	FY24 performance
Human capital						
Employee training and education	Create a more engaged work environment	Satisfaction survey	MMFSL ≥ **4.45**			MMFSL - **4.59**
			MRHFL **- 4.40+**			MRHFL - **4.53**
			MIBL - ≥ **4.45**			MIBL - **4.06**
	Build people capabilities	Increase in training coverage	MRHFL - Maintain training coverage of **85%** and above for all employees			MRHFL - **75%**
			MIBL - Maintain training coverage of **85%** and above for all employees			MIBL - **63%***
Social and relationship capital						
Local communities and corporate citizenship	Uplift communities through need-based interventions and increase beneficiaries coverage under CSR programmes	Increase in number of beneficiaries for flagship programme for Drivers	27,500	30,250	30,000	1,20,112

* Dip in the training coverage is due to organisational restructuring.

Sustainability Strategy

Planet
Reducing environmental footprints

Material topic	Goal statement	Performance measure	Base year (2023)	FY20 target	FY24 performance	Short-term goal
Natural capital						
Climate change (managing carbon emissions)	Increase plantation of trees across the country	Increase plantation with focus on survival rate	Trees planted			Evaluate survival rate and establish carbon offset measurement system
			39,675	1,00,000	3,97,000+	

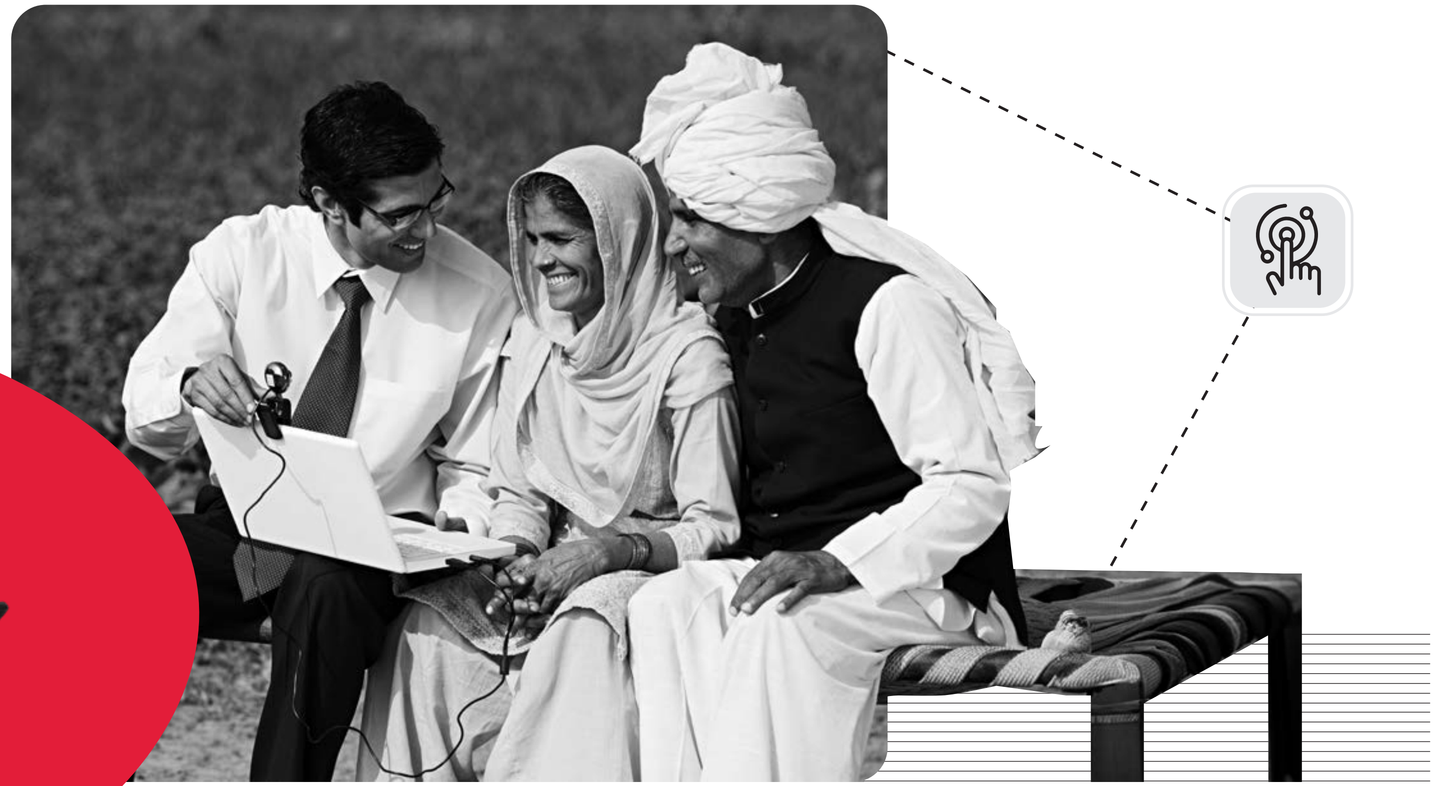
Progress on sustainability roadmap - Environment

Goal statement	Type	Base year (2023)	FY23 target	FY24 performance	Percentage reduction
Reduction in absolute Scope 1 and Scope 2 GHG emissions to 50.4% by FY2032 from base year of 2023	Scope 1	3224.87	1599.44	2,893.65	10.27 %
	Scope 2	19,550.06	9696.83	12,850.52	34.27%
		Absolute base year(2023)	Intensity per employee(2023)	Absolute base year(2024)	Intensity per employee(2024)
Reduction in scope 3 GHG emissions 58.1% per employee by 2032 from base year of 2023	Scope 3	18,813.81	0.715	18,299.85	0.686

Profit
Building evergreen businesses

Material topic	Goal statement	Performance measure	FY22 target	FY23 target	FY24 target	FY24 performance
Intellectual capital						
Digital innovation and disruption	Promote digital innovation	Onboarding on mobile app for customers	6 lakh registered users	7 lakh registered users	-	11.23 lakh registered users
		Increase digital collections	₹4,000 cr	₹8,000 cr	₹10,000 cr	₹10,562 cr
Financial capital						
Credit ratings	Maintaining credit rating at par with M&M	Credit rating from two rating agencies	MMFSL - Maintaining highest level of credit rating applicable for our sector			India Rating IND AAA/Stable CRISIL AAA/Stable CARE AAA/Stable BWR AAA/Stable
			MRHFL - Maintaining current rating of AA+			CRISIL: AAA/ Stable CARE AAA/ Stable India Ratings: AA+/ Stable
Customer relationship management	Improve CaP score	CaP score survey	Maintain score of 60 and above	Maintain score of 60 and above	65	71

Accelerating Our Digital Journey



With a sustained focus on digitalisation, we have been able to take our services deeper into India. More and more customers in rural and semi-urban areas are accessing our online financial services. This shift towards digital lending is not only streamlining the lending process but also promoting transparency, reducing operational costs, and improving customer experience.

We are using cutting-edge technology to enhance business performance, refine credit underwriting, improve customer experience, develop tailored products, and reimage existing offerings. Our online and mobile platforms are delivering superior experiences to customers and our supply chain partners.

Our strengthened customer mobile app, for example, has improved customer support, built brand loyalty, and increased customer retention rates, enabling us to attract new customers and generate revenue. We are also increasingly integrating advanced technologies like machine learning and artificial intelligence into our processes, thus improving our operational and collection efficiency.

Transforming Through Digitalisation

Bringing digital tools to play

We have been leading the way in utilising state-of-the-art technology platforms to drive business growth and stand out in the market. Through automation, digitalisation, and analytics, we have enhanced our efficiency and differentiation. Our comprehensive range of digital payment options and seamless integration with partner networks have greatly bolstered collection efforts, both in the field and at our branches.

MF Customer App

The app enables customers to access our services, save time, and manage their accounts without the need to visit a physical branch. Available in 11 languages, including 9 Indian regional languages, the app allows customers to apply for car loans, manage their loan accounts, and make EMI payments through multiple payment methods such as debit cards, net banking, UPI, and mobile wallets. In FY24, the user base of the app grew from 8.7 Lakh users in FY23 to 11.2 Lakh users. Digital collection also grew to ₹10,562 crore, up by 25% from FY23. Digital transactions include BBPS, Quickpay (website & mobile app), dynamic QR, FINO, and CSC.

25%

Growth in MF customer app in FY24

Used Car Digi Loans

We introduced 'Used Car Digi Loan' last year, reducing the time taken to disburse used car loans to just one day. This platform enables field teams to compare car valuations, conduct fraud checks, obtain digital consent from customers, and create personalised offers instantly.

200+

Customers finance their used car purchases every month through Used Digi Car Loan

WhatsApp convenience

WhatsApp remains a very important service delivery channel for us. A number of key services have now been made available for our customers through WhatsApp, enabling ease and convenience. Our WhatsApp chatbot helps with quick resolution of customer queries, saving substantial time and effort compared to traditional channels.

Digitalised personal loans

For personal loans, we have implemented an end-to-end digital journey that offers customers a superior onboarding experience, with most customers completing the process in under 10 minutes.

₹117 cr

In personal loans disbursed through the platform in FY24

Lead navigator

Lead Navigator, an intelligent personal assistant for Sales teams, has been introduced to streamline lead tracking and has been widely adopted by field teams, ensuring seamless integration with external partners for real-time analysis. Pre-approved offers have been extended to existing customers, benefiting over 13 Lakh customers, enhancing the loan application experience and strengthening customer relationships.

Fast deposit

We revamped the FD booking experience with 'Fast Deposit', simplifying the digital journey from selecting the FD to completing KYC verification, bank details validation, and payment processing.

QR code payments

To facilitate repayments for small commercial vehicle drivers, a QR-code payment system has been implemented, allowing customers to collect fares from passengers using the MF Customer app, with collected fares directly deposited into the customer's loan account. This instant offer is generated using advanced ML models.

Quiklyz

Through our cutting-edge digital platform, Quiklyz, we aim to revolutionise vehicle usage by offering a simple and convenient way to access new vehicles without the hassles of ownership. Our platform caters to a diverse range of customers, including both retail and corporate clients. We provide vehicle leasing to prestigious companies and fleet operators, and in the retail sector, we focus on serving both salaried and self-employed individuals. Within a short time, we have curated a portfolio exceeding 10,000 vehicles, positioning Quiklyz as the preferred provider of vehicle leasing solutions. A standout feature of Quiklyz is our broad selection of electric vehicles (EVs).

Strategic improvements

We are using digitalisation to undertake project improvements that are strategic in nature and span across different verticals, and may involve external stakeholders as well.

Udaan

Udaan is an end-to-end transformation of Mahindra Finance, backed by technology and digital capabilities. With Udaan, we have enhanced the overall experience for our employees and customers. This is part of our efforts to strengthen our tech architecture to make the organisation future-ready for fast-paced growth. Udaan is a plug-and-play business platform that has enhanced the lending journey, covering various aspects such as sourcing, underwriting, loan processing, and collections. The aim of this platform was to improve stakeholder experience, expand partner networks, and enhance digital capabilities with innovative services.

Strengthening cyber security

Additionally, proactive measures are taken to ensure technology security and risk management, adhering to ISO 27001:2013 and COSO framework standards. Continuous risk assessments, incorporating new technologies, external audits, and data privacy initiatives in compliance with government regulations are part of our company's cybersecurity practices.

We focus on maintaining a resilient asset portfolio through rigorous risk mitigation and prudent lending strategies. The deft management of our finances ensures surplus liquidity to explore emerging opportunities, enhances investor confidence, and increases our reliability as a partner of Emerging India.

Strong Fundamentals for a Strong India

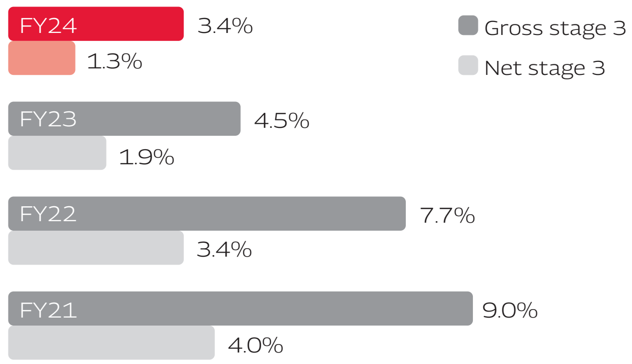
Powered by our comprehensive risk management framework, we have been able to maintain superior asset quality throughout the year. This has been bolstered by our efforts to improve our collection efficiency and underwriting capabilities. We have established collection command centres to enhance our on-ground collection capabilities.

The underwriting process has been strengthened with the use of data and analytics and improved review mechanisms aided by automated dashboards.

We are also using data-enabled processes that support decision-making and legal toolkits to bolster our collection engine.

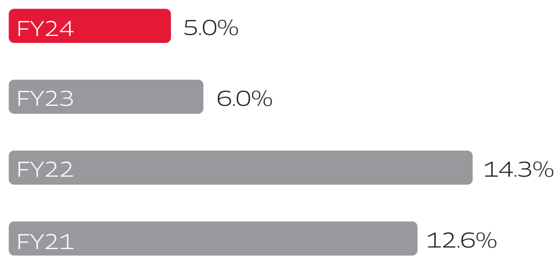
This proactive strategy empowers us to swiftly identify and rectify potential GNPA risks, fortifying our asset quality. Cutting-edge data analytics enabling to enables us to pinpoint and resolve delinquency concerns with precision and timeliness.

Asset quality ▶ Consistent Improvement



Gross and Net stage - 3

GS-3 reduced from ₹5,786 cr to ₹3,491 cr



Gross stage - 2

GS-2 reduced from ₹8,109 cr to ₹5,160 cr

Investors

Maximising long-term value creation

At Mahindra Finance, we aim to maximise value for investors through our sustained focus on maintaining strong asset quality and stringent risk management, together with continuous innovation and customer-centric services.

Material issues addressed

- Credit ratings
- Economic performance
- Corporate governance

Key risks considered

- Business risk
- Market risk
- Reputation risk
- Transparency and accountability
- Sustainability performance

SDGs impacted

Credit rating

Our Company's fixed deposits received an IND/AAA Stable rating from India Ratings & Research Private Limited during FY23. CRISIL upgraded our Company's long-term rating from CRISIL AA+/Stable to CRISIL AAA/Stable and also assigned CRISIL AAA/Stable ratings to our Fixed Deposit Programme and Non-Convertible Debentures. These ratings were reaffirmed by the rating agencies in FY24. With these rating confirmations, we continue to receive the highest ratings possible from all major rating agencies concurrently.

Adding economic value to stakeholders

We follow industry best practices and regularly evaluate our performance against both financial and non-financial metrics.

Economic value added

₹ in cr

Economic Value Generated and Distributed (EVG&D)	FY24 (Ind-AS)	FY23 (Ind-AS)
Economic Value Generated		
a) Revenue	13,562.42	11,056.09
Economic Value Distributed	12,581.18	9,813.09
b) Operating costs	3,064.82	2,183.35
c) Employee wages and benefits	1,712.63	1,584.27
d) Payments to providers of capital	7,177.72	5,286.83
e) Payments to government	595.85	713.75
f) Community investments	30.16	44.89
Economic Value Retained (calculated as economic value generated less economic value distributed)	**981.24**	**1,243.00**

FY24 performance

Throughout the year, we strengthened our leadership position across multiple sectors, including tractors, Mahindra auto, and non-Mahindra vehicles. Notably, we also secured a leadership position in the pre-owned car segment during Q4FY24. Our robust growth in established vehicle sectors and steady expansion in the SME business enabled us to achieve a record annual disbursement of ₹56,208 crore. The successful execution of our dual strategy, focusing on improving asset quality in the mass-affluent category and scaling the pre-owned asset book to enhance margins, has driven our remarkable 6.25% Y-o-Y growth, resulting in a book value of ₹18,157 crore. We are committed to retaining sustainable growth, responsible lending practices, and maintaining our market leadership.

During the year, we embarked on multiple strategic initiatives which led to:

- Sustainable improvement in asset quality, resulting in lower credit costs
- Better risk management by leveraging analytics/business intelligence
- Improvement in business volume by targeting the affluent RUSU customer segment with relevant lifecycle products
- Focused productivity improvement initiatives, resulting in cost optimisation

Investors

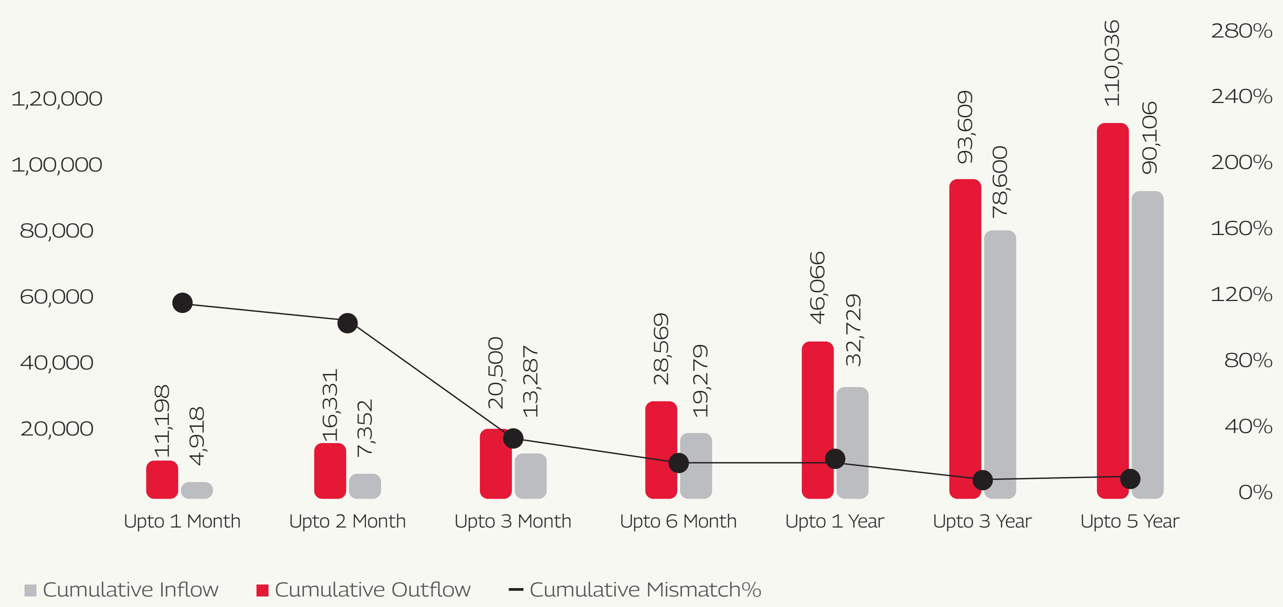
Capital adequacy

As of 31st March 2024, our Capital to Risk Assets Ratio (CRAR) stood at an impressive 18.9%, well above the minimum requirement of 15% CRAR set by the RBI. The Tier-I capital adequacy ratio was recorded at 16.4%, indicating the strength of our core capital, while the Tier-II capital adequacy ratio stood at 2.5%. These robust capital adequacy ratios highlight our solid financial position and adherence to regulatory guidelines.

Asset Liability Management (ALM)

Our business model is robust and has endured the test of time. It has been further reinforced by the insights and experience gathered over decades. Our fiscal discipline is stringent and we have retained consistent focus on our core business of lending. We have carefully selected to target the semi-urban and rural geography, maintaining a stable liquidity profile, well-diversified financing mix, and a robust balance sheet. This approach has enabled us to deliver consistent returns, weather challenging periods and win back our clients' confidence. In our lending practices, we ensure adherence to reasonable Loan-to-Value (LTV) ratios.

ALM Position and Liability Maturity



Reducing volatility and ensuring stable asset quality

To improve our collection efforts, we set up collection war rooms, developed customised collection processes for different customer groups, and used strict arbitration for bad debts and loan pools. We also started using analytics to identify early warning signs of loans that might become non-performing assets (NPAs). This helps us activate the collection process early to prevent loans from turning into NPAs.

Levers that ensure GS3 is retained at a sustainable basis

- Sourcing business from customer segments that are within the risk guardrails
- Strengthening our underwriting capabilities
- Ensuring that we have best-in-class collection practices

Steady Improvement in asset quality

	FY2023	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	
GS3 Ratio	4.5%	4.3%	4.3%	4.0%	3.4%	GS-3 reduced from ₹3,717 cr in FY23 to ₹3,491 cr
NS3 Ratio	1.9%	1.8%	1.7%	1.5%	1.3%	
GS2	6.0%	6.4%	5.7%	6.0%	5.0%	GS-2 Increased from ₹4,928 cr in FY23 to ₹5,160 cr

Customers

Building relationships of trust

Customer-centricity is the cornerstone of our business, helping us cater to the financial needs of diverse segments across emerging India with relevant solutions. This ensures trust-building, drives loyalty and repeat business. It also keeps us agile in a highly competitive industry, sustain growth and fulfil our commitment of empowering communities through accessible financial solutions.

We prioritise transparency, ensuring our customers are well-informed about our products and services. We strive to provide a seamless and efficient experience at every touchpoint, leveraging technology to offer convenience and accessibility. Our dedicated customer service teams are always ready to assist, ensuring that our customers feel valued and supported throughout their journey with us.

Material issues addressed

- Customer relationship management
- Digital innovation

Key risks considered

- Low customer satisfaction
- Brand reputation
- Customer service
- Pandemic risk

SDGs impacted

Customer interaction mediums

We have multiple customer interaction mediums to ensure convenient and efficient communication with our stakeholders.

Network

1,370

Branches/offices pan-India

Customer contact centre

20k+

Calls handled by customer contact centre every month; customer interaction available in 9 languages

Customer app

3.31 mn+

Customer app downloads

Website

~5 lakh

Monthly visitors on our website

Real-time NPS to feel customer pulse

The Real-time Net Promoter Score (RNPS) activity was conducted to assess customer advocacy levels. As part of this exercise, we ask for feedback from Mahindra Finance customers at key stages of the loan lifecycle to understand their experience and identify areas for service improvement.

Customers take the survey in a language of their choice, thus enhancing its effectiveness. After the survey, detailed reports, and analyses are presented, followed by action planning to ensure improvement.

Leveraging partnerships for onboarding new customers

Mahindra Finance has entered into a service agreement with CSC E-Governance Services India Limited, which facilitates lead sourcing for prospective vehicle business. The partnership enables both CSC and Mahindra Finance to leverage each other's strengths to offer the best value proposition to the customer. CSC sources get the lead through their village-level entrepreneurs (VLEs) at the grassroots level and forward the same to our staff for business conversion.

The partnership has helped serve customers across the length and breadth of the country, especially in serving the last mile customer in rural India. Co-branding of VLE setups, training of VLEs and joint customer outreach and service were carried out extensively throughout the year. In FY24, 1823 vehicle loans were transacted through VLEs covering most of the states. Mahindra Finance also entered into a similar partnership with India Post Payments Bank Limited and ₹1.60 crore of loan have been disbursed through this arrangement.

₹94 cr

Amount of loan disbursed through 740 VLEs in FY24

Customers

Shubh Utsav

To create awareness and promote our product offerings during the festive season, we implemented the Shubh Utsav festive campaign in October-November 2023.

The campaign involved a series of marketing interventions including:

- Radio campaign and sales promotions in key geographies
- Campaign communication across key touchpoints, like branches and dealerships
- BTL activations to create awareness and generate more business leads
- Digital marketing campaign focusing on priority geographies
- CRM campaigns (through SMS and emailers), utilising both internal and external databases

Events and exhibitions

Mahindra Finance actively participated in a range of events and exhibitions throughout the year to create awareness and generate new business.

Some key exhibitions we participated in were:

- CII EXCON: At Asia's biggest construction expo held in Bengaluru, Mahindra Finance supported construction equipment buyers with financing solutions
- Gwalior Trade Fair: At the event in Gwalior, Mahindra Finance presented its vehicle loan offerings
- IMTEX: Our SME Loans team participated in IMTEX at Bengaluru to connect with potential machinery and equipment buyers and promote our SME loan offerings
- Krishi Melas: We promoted tractor and vehicle loan offerings directly to farmers and other prospective customers by participating in six Krishi Melas
- Loan Melas: Mahindra Finance organised loan melas across eight key locations to generate new business; these events bring together vehicle dealers and customers under one roof with Mahindra Finance being the exclusive financier

People

Leveraging our human capital

We are dedicated to fostering a workplace where individuals from diverse backgrounds feel welcomed and motivated to contribute their best. We are realigning our focus on talent acquisition and skill development to create a future-ready workforce.

Material issues addressed

- Diversity and equal opportunity
- Employee training and education
- Employee well-being

Key risks considered

- Working environment
- Pay parity
- Job satisfaction and absenteeism
- Poor employee skills
- Women empowerment

SDGs impacted

People

Diversity and Inclusion

At Mahindra Finance, we are committed to promoting an inclusive and diverse workplace. Our policies and practices are designed to create an environment where all employees feel valued, respected, and supported. We are consistently improving women's representation in our workforce while increasing the recruitment of the specially abled. We believe that a diverse team, encompassing a wide range of perspectives, backgrounds, and experiences, drives innovation and enhances our decision-making processes.

Awareness programmes

Workshops on 'Unconscious bias'

Through a theatre-based workshop for the Executive & Strategic Band and a separate workshop for mid-level management, we sought to sensitise our staff to recognise and address unconscious biases, promoting equitable decision-making and an inclusive culture. The workshops explored personal beliefs and behaviours, helping employees promote fair treatment. Through collaborative exercises, they explored strategies to promote an equitable work environment and foster dialogue and openness.

3.88/4

Feedback on workshop by E&S Band

3.89/4

Feedback on 'Beat the Bias' by DH Band

Weaving inclusion through leadership

Senior leaders at Mahindra Finance champion inclusion through various initiatives. Our 'Perspective Building' initiative provides a platform for them to share their personal journeys and their outlook on the importance of furthering Diversity and Inclusion (D&I), and how it creates a workplace that enables all employees to succeed and thrive.

120+

Employee participation at 'Perspective Building' initiative in FY24

Inclusion Week

Spectrum'23, a week-long programme, highlighted our commitment to the brand pillar 'Rise for a more equal world', aimed to enhance understanding of inclusion, break down biases, and create a culture of mutual respect and advancement. This vibrant week of interactions saw learnings and activities, showcasing real stories of inclusion and the power of diverse perspectives. The week also featured quizzes and team events to raise awareness. 'TogetherWeRise', a Company-wide competition, promoted creativity and collaboration through collages and slogans on inclusion. Spectrum'23 used social media to share impactful quotes from leaders, reminding employees of our Company's commitment to promote D&I.

2,500+

Employees completed e-learning modules on DE&I essentials

1,600+

Employees expressed appreciation on the engagement portal

Affinity groups for women

Mahindra World of Women

In celebration of International Women's Day, we hosted the 'Strings of Sisterhood' workshop showcasing our senior women leaders. The event hosted inspiring speakers who shared their unique experiences and insights, such as the renowned leadership expert, Sunita Bhuyan. The interactive workshop provided the opportunity to gain fresh perspectives, sharpen leadership skills and build a supportive network.

She is on the Rise

Recognising the unique challenges and untapped potential of women in leadership roles, we developed 'She is on the Rise', a specially curated programme to empower our women managers and propel them towards greater success. The programme helped promote in-group conversations and focused discussions, enabling the group to identify challenges and find ways to navigate them successfully.

Prarambh
Hire, train, deploy

In FY24, Mahindra Finance partnered with the Manipal Academy of BFSI to introduce 'Prarambh', a specialised business training programme for women. The programme aims to provide women with a pathway to a fulfilling career in the financial services sector. The inaugural batch underwent a certification course focusing on sales and finance. This initiative is in response to the increasing number of women participating in the economy. Studies show that the number of women depositors are increasingly rising in rural and semi-urban areas. More women are opting for car loans and EVs. Mahindra Finance believes that its workforce diversity should reflect the diversity of its customer base. We plan to continue recruiting women through 'Prarambh', aiming to boost their representation in the workforce and redefine career choices for women.

38

Candidates in the inaugural batch of Prarambh

30 days

Duration of certification course

People

Embracing equity

In celebration of International Women's Day, we hosted the Strings of Sisterhood workshop, a dedicated event for our senior women leaders. This initiative aligns with our commitment to fostering a diverse and inclusive workplace where women can thrive. Strings of Sisterhood offered a vibrant atmosphere filled with inspiring speakers who shared their unique experiences and insights. The highlight of the event was an engaging workshop facilitated by the renowned leadership expert, Sunita Bhuyan. The interactive workshop provided the opportunity to: gain fresh perspectives, sharpen leadership skills and build a supportive network.

Integrating the specially abled

On 8th November 2023, we held a sensitisation programme at our Mumbai headquarters to raise create awareness about the challenges faced by individuals with speech and hearing impairments. By dispelling stereotypes and promoting empathy, the workshop sought to further inclusivity. The initiative at Mumbai was conducted in collaboration with Sarthak Educational Trust. Among the topics covered were effective communication strategies for interacting with People with Disabilities (PWDs), introduction to sign language and the benefits of building a diverse and inclusive workforce. The workshop was part of our Company's goal to educate employees as well as actively seek qualified PWD candidates.

To prioritise this goal, our CSR and Talent Acquisition teams have met with relevant business teams and departments to build a firm support system for a diverse workforce. The collaboration led to compilation of a list of PWD-friendly branches, ensuring workplace accessibility for PWD recruits. To accelerate the hiring process for PWDs, our Company has also partnered with various NGOs to tap into a wider talent pool.

Inclusive policies

Our inclusive policies prioritise the needs of women employees, offering flexibility and support. Unique benefits include menstrual wellness support, travel and accommodation safety measures, and comprehensive maternity benefits. Our IVF support policy reflects our commitment to diversity, equity, and inclusion (DE&I). We ensure a clear work-from-home process that protects employee privacy.

Some of the policies promoting inclusivity are:

Nanny/creche allowance policy

This supports working parents, particularly mothers, by easing childcare burden and enabling them to focus on their careers. This creates a more level playing field and fosters a sense of belonging for employees with young children.

230+

Women employees availed nanny/creche allowance

Wellness policy

This policy prioritises employee comfort and health and focuses on employee well-being by acknowledging the challenges some face during menstruation. By openly addressing menstruation, the policy helps normalise a natural bodily function and reduces workplace stigma. Women are allowed to work from home for two days a month without requiring approval.

90%

Women employees avail of the Wellness policy

Communicating on D&I

Changing mindsets is a key challenge to implementing and sustaining inclusive work policies. We address this through conversations, sensitisation workshops, and advocacy from senior leaders and D&I council members. Multiple channels like podcasts, e-learning modules, and inclusion nudges are used for awareness throughout the year. We also educate managers on these policies for consistent implementation. Podcasts feature senior leaders in conversation with employees. Employees at all levels learn from leaders' perspectives on inclusion. Internal communication platforms are used to communicate to all employees. The recorded videos are readily available on our internal portal.

Training and development

To retain our competitive edge and ready ourselves for the challenges in future, we are focusing on Strategic Talent Management and Talent Mobility, including acquiring key talent, promoting targeted career development, focused job rotation, and effective talent engagement. We retain our commitment to developing employee skills and knowledge through a variety of initiatives and programmes, facilitating both personal and professional development.

Sharpening employee focus on the customer

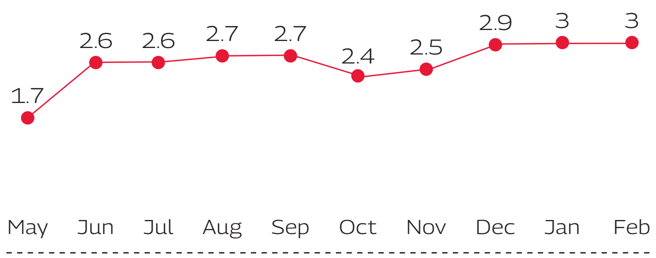
Customer Service Excellence programme

Our commitment to exceptional customer service led to the launch of the Customer Service Excellence (CSE) programme in May 2023. This initiative equips our front-line staff with the knowledge, requisite skills, and tools to excel. The programme was rolled out in a phased manner, beginning with focused classroom training for 30 key branches. To enable continuous learning, we expanded the programme in October 2023 with the launch of an e-learning certification programme. This online module targeted frontline executives, branch accountants, and supervisors, ensuring comprehensive knowledge dissemination across all employee levels through mandatory training. To maintain improved service standards, a refresher training is conducted based on Customer Satisfaction (CSAT) and certification scores.

The impact of the CSE programme has been significant. Classroom training for focused branches resulted in an impressive 83% employee participation rate. More importantly, the CSAT scores for these branches saw a remarkable improvement, jumping from 1.7 in May 2023 to 3.0 in February 2024. Additionally, the programme facilitated the timely closure of complaints escalated to the RBI, demonstrating a commitment to swift resolution. The learnings have been invaluable in the journey. We have learnt the importance of responsiveness and agility in resolving customer queries, requests, and complaints, thus strengthening customer loyalty and a positive brand image.

Improving CSAT scores (May 2023-Feb 2024)

CSAT Scores - Focus Branch



83%

Attended the Customer Service Excellence Program

1,405

Employees took part in the programme across 30 branches in FY24

CPC 0.5 initiative

Our CPC 0.5 initiative aimed to help employees streamline customer digital onboarding and centralise the loan disbursement process. To ensure a smooth transition for the Operations and Accounts Team, the programme sought to train employees for quick adoption while ensuring accurate usage for faster loan processing and a high First Time Right (FTR) rate. Launched in May 2023, it continues to be in progress as new branches go live with the CPC 0.5 process. A dedicated CPC induction programme is also conducted for new joiners.

Daily training sessions, which included both offline and online modes, addressed employee queries, while focused interventions tackled low FTR rates in specific business units. Weekly dashboards kept everyone informed on progress, and a monthly 'Hall of Fame' leaderboard recognised early adopters, fostering a spirit of healthy competition.

This project highlighted several key learning methods that can be replicated for success in future Learning and Development.

Key learning methods in CPC training

Comprehensive training approach

The programme employed a multi-faceted strategy, including Train-the-Trainer sessions, instructor-led training, digital interventions, virtual learning sessions, and ongoing support

Stakeholder engagement

The project actively involved stakeholders like Change Champions, employees, and management, whose participation in the training process and feedback mechanisms ensured a well-rounded approach

Technology integration

By leveraging digital tools for certification and virtual sessions, the programme demonstrated a forward-thinking approach, showcasing its accessibility, flexibility, adaptability, and scalability for future training initiatives

521
Total branches underwent the training across 177 batches

5,990+
Employees equipped

55%
First Time Right (FTR) rates achieved by March '24

Succession planning

The organisational commitment to proper succession planning is driven right from the top, and significant weightage is assigned for senior leaders on this goal. In keeping with this goal, potential leaders are identified through detailed discussions with the reporting manager/ department heads/Steering Committee members.
The process also focuses on understanding if the role is critical to business functioning, and whether it is occupied by the right incumbent with appropriate potential. We have multiple talent councils to cater to different levels of employees so that appropriate decisions and enabling actions are initiated by the council members.

Transformational leadership development programme

This Programme targets high-potential mid management level employees and equips them with the skills and mindset to become future leaders within the organisation. Conducted between February 2023-January 2024, the initiative this year focused on nurturing an 'Evolved style of leadership' through a rich learning experience.

The Programme blends classroom learning with interactive sessions like mentoring, individual challenges, and business immersions. Participants gain valuable insights from expert speakers and engage with the organisation's leadership team who act as mentors throughout the journey. To encourage reflection, participants are encouraged to showcase their progress through presentations to the senior leadership at designated milestones. Additionally, the programme focuses on digital expertise as well as social responsibility through community service. The programme has already seen a 20% success rate in role movement or upgradation within the participating batch.

32
Batch size in FY24 for the Leadership development programme

Training hours for employees

MMFSL

L&D data April 2023 to 31st March 2024 (Employee hour wise)

Gender	Male	Female	Total
Senior management	7,055.25	543.75	7,599
Middle management	23,214.75	958	24,172.75
Junior management	2,29,898	9,393.25	2,39,291.25
Total	2,60,168	10,895	2,71,063
		Avg training hour per employee	10.17

Employee engagement

Health and wellness

Mahindra Finance successfully launched the Alyve app, to promote employee engagement and their health and wellness. The app has since seen active engagement from employees. We also conducted health and eye check-up for employees across India. To promote mental wellness, Circle-wise workshops were introduced, focusing on mental health.

3,000+
Employees underwent health and eye check-up across India in FY24

Joint celebrations

Mahindra Finance celebrated regional festivals across its branches, encouraging a sense of unity and cultural appreciation. Additionally, we organised a Sports League, featuring contests in badminton, volleyball, and cricket, and saw enthusiastic employee participation across different locations.

Reward and recognition

Mahindra Finance introduced an employee engagement platform to enhance interaction and recognition within the organisation. The Managers played a key role in the programme, with over 90% of managers acknowledging the efforts of 10,000+ employees. Peer-to-peer appreciation also flourished, highlighting a culture of recognition. Our Company nurtures a vibrant community through its Hobby Clubs that host various activities. We also honoured employees for their long years of service with a trophy and Fixed Deposit.

~11,000
Instances of peer-to-peer appreciation

3,100+
Employees honoured for 'Long Service'

People

Health and safety

The health and safety of our employees is our priority and we provide adequate support during times of illness, injuries, and emergencies. To build a safe culture in our organisation, we have integrated safety processes into key business activities with detailed health and safety procedures and safety advisories. During the reporting period, several safety initiatives were undertaken. A few critical activities, such as fire mock-drill, identification and training of the Emergency Response Team (ERT), and other related activities were undertaken.

Defensive driving programme

As a part of our ongoing commitment to promote health and safety of our field business and collection employees, we conducted the 'Defensive driving programme' to promote road safety awareness among employees, encouraging them to adhere to safe behaviour while driving two-wheelers and four-wheelers for collection and other field activities. The awareness session gave confidence to our employees and boosted their morale. Field team from Soft Bucket Collection, Hard Bucket Collection, and Non Performing Collection verticals attended the programme. The programme has been cascaded to other FSS subsidiaries for implementation.

5,500

Employees trained till date

Safety ambassador programme for women

We introduced the 'Safety ambassador programme' for women employees at Mahindra Finance offices to create awareness on safe work practices. The participants were coached in Basic Fire Safety, Road Safety, Personnel Safety, and Electrical Safety. The programme seeks to encourage the involvement of women in nurturing the safety culture at our offices while encouraging D&I.

Certification in first aid

The Certified first aid training programme for the Emergency Response Team was introduced to strengthen the safety culture and bolster our emergency procedures. The programme has been initiated at FSS offices, helping us station certified first aiders at our offices. We provided this programme for identified (HO, Circle, Regional and Branch office) ERT members through DISH approved agency.

110

Emergency Response Team members underwent first aid certification course during the year

HR performance table

MMFSL	Active employee count (Count in nos.)													
Workforce Level	**FY23-24**													
Age	**<30**			**30-50**			**>50**			**Total**			**Total Employees**	
Gender	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**			
Senior management	0	0	0	7	48	55	0	26	26	7	74	81		
Middle management	19	36	55	142	1,802	1,944	7	197	204	168	2,035	2,203		
Junior management	390	8,030	8,420	525	15,278	15,803	5	150	155	920	23,458	24,378		
Grand Total	**409**	**8,066**	**8,475**	**674**	**17,128**	**17,802**	**12**	**373**	**385**	**1,095**	**25,567**	**26,662**		

MMFSL	Employees joining in the reporting year (Count in Nos.)											
Workforce level	**FY23-24**											
Age	**<30**			**30-50**			**>50**			**Total**		**Total Employees**
Gender	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	
Senior management	0	0	0	1	14	15	0	5	5	1	19	20
Middle management	11	26	37	33	254	287	1	3	4	45	283	328
Junior management	209	3,834	4,043	73	2,987	3,060	0	1	1	282	6,822	7,104
Grand Total	**220**	**3,860**	**4,080**	**107**	**3,255**	**3,362**	**1**	**9**	**10**	**328**	**7,124**	**7,452**

MMFSL	Employees leaving in the reporting year (Count in Nos.)											
Workforce level	**FY23-24**											
Age	**<30**			**30-50**			**>50**			**Total**		**Total Employees**
Gender	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	
Senior management	0	0	0	1	7	8	0	6	6	1	13	14
Middle management	1	6	7	17	163	180	0	15	15	18	184	202
Junior management	124	3,138	3,262	64	3,563	3,627	0	14	14	188	6,715	6,903
Grand Total	**125**	**3,144**	**3,269**	**82**	**3, 733**	**3, 815**	**0**	**35**	**35**	**207**	**6,912**	**7,119**

Parental leaves in the reporting year

MMFSL	**For 2023-24**	**Employees who availed parental leave from 01st April 2023 to 31st March 2024**	**Employees who returned to work as on 31st March 2024 after availing parental leave from 01st April 2023 to 31st March 2024**	**Employees who did not return to work as on 31st March 2024 after availing parental leave from 01st April 2023 to 31st March 2024**	**Return to work rate**
	Maternity leave	40	22	18	55.00%
	Paternity leave	551	549	2	99.64%
	Total	591	571	20	96.62%

Community

Collaborating for inclusive progress

One of our most prized goals is to bring meaningful change in the lives of our stakeholders, particularly among communities in the semi-urban and rural areas where we operate. Promoting financial inclusion is one crucial objective. But we also undertake targeted initiatives in skill development, healthcare, education, and women's empowerment to enable communities to change their own lives, for the better. Mahindra Finance also contributes to promotion of fine arts and culture and welfare of the armed forces.

Material issues addressed

- Local communities and corporate citizenship

Key risks considered

- Women empowerment
- Livelihood and skilling
- Quality education
- Water scarcity
- Financial and digital literacy

SDGs impacted

To carry out significant initiatives that tackle important social issues, we actively collaborate with regional NGOs and government organisations.

Our key objectives behind our CSR initiatives are:

- Aid education, financial, and digital literacy amongst the underprivileged
- Create economic prosperity in India
- Create equal opportunities for all
- Ensure environmental cleanliness, tree plantation, and water conservation

CSR focus areas

- **Education**
- **Women empowerment**
- **Environment**
- **Livelihood**
- **Healthcare**

Lives impacted

FY24	1,20,112
FY23	2,56,507
FY22	3,61,943
FY21	51,763
FY20	1,00,190

Skill development and livelihood generation

Swabhimaan

This flagship CSR programme for the driver community was launched in FY21. Named 'Swabhimaan' or 'Self-Respect', the initiative aims to uplift the lives of drivers and that of their family members. We continued this multi-year programme with vigour in FY24, addressing the professional, financial, and familial challenges faced by members of this profession.

Under this programme, we provided four-wheeler driving training to over 960 youths, e-auto and rickshaw driving training to 350+ women from underprivileged families, and road safety training to over 15,590 existing drivers. Additionally, we awarded scholarships to over 2,270 children of drivers. These interventions impacted the lives of 2,000+ women across the country.

19,150+

Beneficiaries of Swabhimaan programme across India

350+

Women trained to drive e-rickshaws

2,250+

Children from the community awarded scholarships under the programme

Community

Project Hunnar

We continued our mission to empower people with disabilities during the year, providing training to 250+ PWDs in various skills related to the BFSI sector, hospitality and Information Technology Enabled Services (ITES) sectors to enhance their employability. Out of the participants, 114 candidates were supported to find gainful employment.

250+

PWD candidates provided skill training during FY24

Financial and digital literacy awareness programme

In FY24, we launched two pilot projects under the Financial and digital literacy awareness programme. The objective of the first was not only to provide financial and digital literacy, but also to provide business skills training to those employed in nano and micro-enterprises, including individuals working at kirana stores, small establishments, retail shops, and restaurants.

The second project targeted gig workers and sought to impart financial planning skills to a larger group including farmers, drivers, and self-employed individuals from low-income communities. This training aimed to enhance savings, increase awareness of financial instruments, and protect them from digital fraud besides acquainting them with vehicle maintenance knowledge.

During the training, Mahindra Finance encouraged over 4,900 individuals to adopt the Digi Locker app on their cell phones, helping them create an online repository to instantly access important documents such as Aadhar, PAN, driving licence, vehicle registration certificates, and academic marksheets.

26,200+

Individuals reached in semi-urban and urban areas for financial and digital literacy

Promoting access to quality education

Nanhi Kali

Reaffirming its commitment to the cause of education, we continued with Project Nanhi Kali through its implementation partner, K.C. Mahindra Trust. The project provided academic support and digital literacy to over 20,400 girls. Among them, more than 5,880 underprivileged girls from Classes I-X received academic support in the form of remedial classes and an annual school supplies kit comprising a school bag, stationery, and feminine hygiene materials, enabling them to attend school with dignity.

Furthermore, to help bridge the digital gender gap in India and empower girls through digital education, Nanhi Kali's Digital Equaliser for Girls Training Programme was introduced for underprivileged girls of Classes IX-XII. In FY 2024, we trained over 14,500 girls as part of this innovative initiative. To further enhance the quality of education imparted to girls, Nanhi Kali has partnered with a leading EdTech organisation, Educational Initiatives.

20,400+

Girls provided academic support and digital literacy through Nanhi Kali project

14,500+

Girls provided digital literacy through Digital Equaliser for Girls Training Programme

Enhancing women's empowerment

Mahindra Pride Classroom

The programme works with marginalised and socially excluded women to create job opportunities in various sectors, enabling them to become financially independent and participate actively in the workforce. Under this programme, we conducted 40 hours of training for over 40,800+ final-year female students in classrooms across government/ government-aided colleges, polytechnics, industrial training institutions, employer premises, and other areas to enhance their employability prospects.

The modular Mahindra Pride Classroom (MPC) training programme focuses on life skills, language skills, and aptitude. To facilitate the placement of students trained through MPC in collaboration with various organisations, an innovative, tech-enabled job drive known as 'Job Utsav' was conducted to bring together the best employers and a talent pool of MPC-trained women.

40,800+

Female students attended MPC programme across India

Mahindra Pride Skill Centres

The MPSC programme trains women in various skills, with a focus on IT/ITES, retail, hospitality, BFSI, and other sectors. By addressing the unique requirements of the job market and emphasising the development of both technical and soft skills, the programme aims to equip women with relevant knowledge, skills, and confidence needed to succeed in their careers. As part of this initiative, 1,000+ women were trained in IT/ITES, retail, hospitality, Tally, IT, and GST. Around 700+ women were placed in the IT, retail, and hospitality sectors, with an average salary of ₹14,700 per month after completing their training.

1,000+

Women trained with skills relevant to ITES, retail, hospitality, BFSI and other sectors

Community

Environmental stewardship

Project Hariyali
The Project Hariyali is a continuation of the Mahindra Hariyali project that began in 2010 in Araku, Andhra Pradesh. This project focuses on natural resource management and follows global regenerative organic farming protocols to increase community income, and improve the agricultural ecosystem for overall community well-being. In FY24, we planted over 3,45,900 saplings of coffee, fruit, legume, and forest species in the Araku region in collaboration with local communities.

3,45,000+

Saplings planted under Project Hariyali in FY24.

Water conservation
As part of the environmental sustainability projects, Mahindra Finance constructed four rainwater harvesting structures in Zilla Parishad schools of Shahapur and seven ponds on agricultural land in village Kheware, Thane, Maharashtra. These constructions included protective fencing, solar panels, and solar pumps for each farm pond. This project is expected to conserve rainwater for irrigation, ensuring year-round accessibility of water for household and farming purposes, enabling farmers to grow more crops. The project is likely to benefit over 540 farmers in rural areas of Maharashtra.

48 mn+ litres

Of rainwater is likely to be conserved through water conservation projects in Maharashtra

Promoting healthcare through Project Sehat

In FY24 the Company organised nationwide blood donation drives, collecting over 3,900 units of blood across India. Additionally, eight health camps were conducted, benefitting 1,630 individuals.

Employee volunteering

Mahindra Finance has always encouraged employees to participate in various CSR initiatives to drive positive change in society. During the reporting period, over 22,600 employees (85%) contributed over 1,25,700 person-hours to several virtual and CSR calendar initiatives, including blood donation drives, tree plantations, Swachh Bharat campaigns, visits to municipal schools, orphanages, old age homes, and centres for persons with disabilities. Through employee volunteering, we planted approximately 52,000 saplings to increase green cover near our branches.

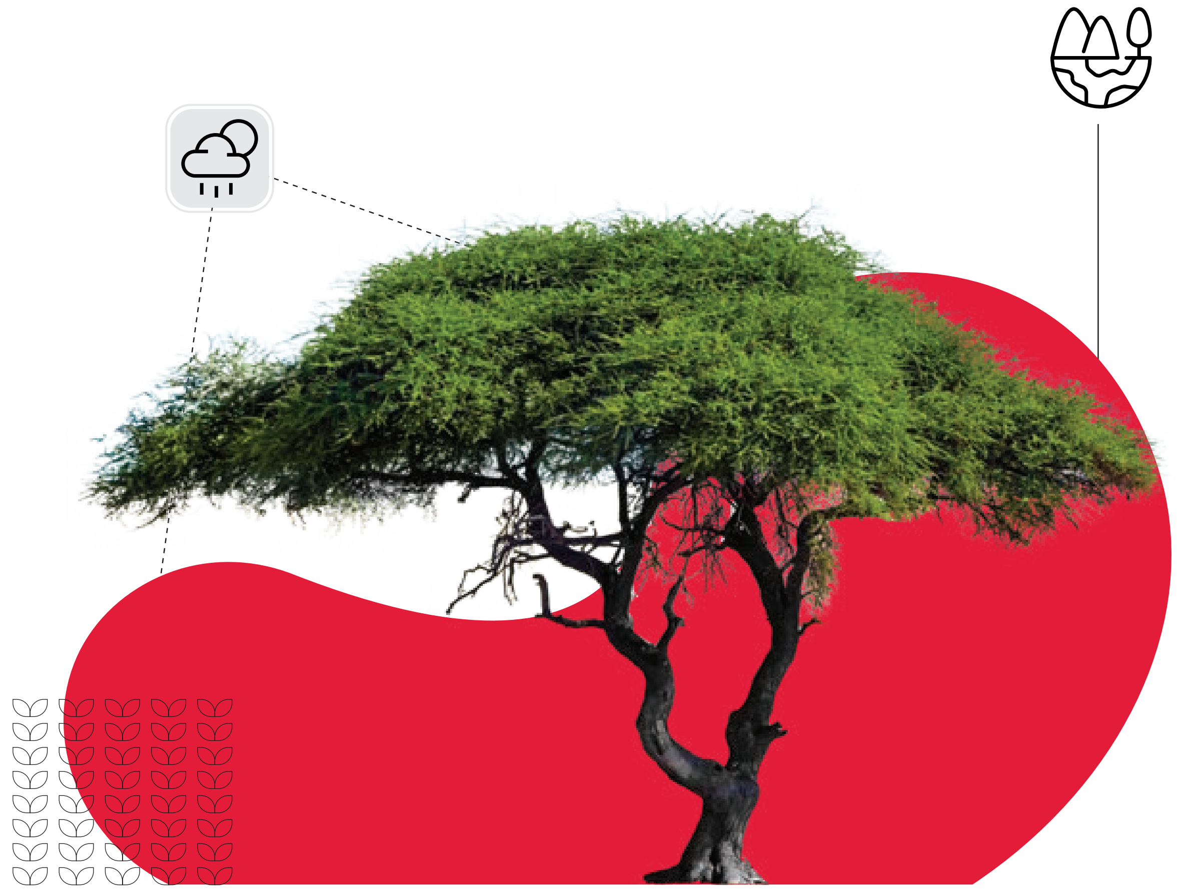
1,25,700+ Volunteering hours

Devoted by employees in volunteering for CSR initiatives in FY24

Environment

Committed to a greener tomorrow

Aware of our environmental responsibilities, we are guided by the Climate Action Plan developed by the Mahindra Group. We are constantly striving to improve resource efficiency, decarbonise manufacturing, and streamline our internal operations.



Material issues addressed
- Climate change
- Climate strategy (managing carbon emissions and water conservation)

Key risks considered
- Physical climate risk
- Regulatory risk
- Reputational risk
- Water scarcity risk
- Energy crisis risk

SDGs impacted

Environment

Climate report

MMFSL has conducted the climate related risk analysis which could arise in future and potential opportunities arising due to changing economy. We have identified Representative Concentration Pathway (RCP) 8.5 scenario for physical risk and International Energy Agency's Net Zero Emissions (IEA NZE) for transition risk as the most relevant scenario for the organisation. For Physical Risks, we have referenced RCP 8.5 scenario. RCP8.5 is the high-emissions scenario, in line with the current emission trajectory and consistent with a future with no policy change happens to reduce emissions.

Our Company has aligned its transition risks to its low-carbon strategy which includes its commitment to a 1.5 °C world and reducing emission targets. Transition risks have been further identified as per regulatory, technology-related, market, and reputational risks. These risks are interconnected and are often placed on top of mind for investors as they attempt to navigate an increasingly aggressive low-carbon agenda that can create capital and operational consequences for their assets. The detailed climate report for MMFSL can be accessed by the link:
https://www.mahindrafinance.com/wp-content/uploads/2024/06/MMFSL-Climate-Report.pdf

Key objectives of environmental stewardship

- Preserving the environment by preventing negative effects
- Enhancing and advocating for the environmental sustainability of goods and services
- Adhering to legal requirements and voluntary agreements and encouraging aspirational environmental management techniques

Key Highlights

- First NBFC in India to join the United Nations Global Compact Network
- CDP Rating is B-

Our long-term ESG goals

Baseline 2023

Carbon neutrality

15%
Decrease in carbon emissions

22%
Renewable energy and green power

2 lakh
Tree plantation

2000
Eco-Cook stove distribution at village level through CSR activities

Water positive

Y-o-Y 5%
Reduction in water consumption

Y-o-Y 2%
Increase in water harvesting

Waste

Zero waste to landfill

Diversity and Inclusivity

5%
Gender ratio separate (his/her) washrooms at branches

Training and Awareness

10%
Increase average learning hours

Social

100,000
CSR beneficiaries (Direct)

2026

Becoming the first company in the sector to achieve SBTi validation

Mahindra Finance achieved another sustainability milestone in FY24, becoming the first Indian company in the 'Banks, Diverse Financials and Insurance' sector to have its science-based targets validated by SBTi. The Science Based Targets initiative (SBTi) supports companies in their efforts to reduce greenhouse gas emissions in line with the latest climate science and avoid the dangerous consequences of climate change.

Sustainability achievements in FY24

81,639.69 GJ
Total energy consumption

2.92 GJ/employee
Energy intensity

10,099.93 KL
Water consumption

43+ tonnes
E-waste recycled

Aligning value chain partners with our sustainability goals

Mahindra Finance recognises the importance of building a sustainable business ecosystem. To achieve this, the Company recently conducted a successful training programme for the value chain partners to acquaint them with the Company's long-term sustainability objectives. This initiative targeted top management personnel across Sales, Finance, HR, and IT departments from 35 partners representing diverse industries such as IT, Education, Logistics, Advertising, and Consulting.

The training programme aimed to equip participants with a comprehensive understanding of Environmental, Social, and Governance (ESG) principles and their critical role within the value chain process. Through interactive sessions, participants gained insights into:

- Understanding ESG: The core concepts of ESG were explored, highlighting their increasing significance in today's business landscape and their impact on long-term sustainability.
- ESG integration into the value chain: Participants learned how to effectively integrate ESG considerations throughout different stages of the value chain, ensuring responsible practices across all aspects of their operations.
- Mahindra Group's Purpose: The training aligned the participants with the broader purpose and vision of the Mahindra Group, fostering a shared commitment to responsible business conduct
- BRSR principles: A deep dive into the nine BRSR principles was conducted, utilising case studies, discussions on best practices, and interactive question formats to solidify understanding.

The programme garnered high engagement and by the time it ended, a significant number (around 60%) demonstrated a clear understanding of BRSR principles, showcasing the effectiveness of the training. The feedback was overwhelmingly positive, with the participants commending the programme's content relevance, training methodology, and overall learning experience.

This training programme signifies a crucial step towards integrating responsible practices across the Company's entire business network. By empowering the value chain partners with ESG knowledge, the Company intends to foster a collaborative approach that paves the way for a more sustainable future for Mahindra Finance, its partners, and the communities it serves.

Snapshot of a decade's performance

Results: 10 Years at a Glance

(Rupees in cr unless indicated otherwise)

Sr. No.	Particulars	F- 2024	F- 2023	F- 2022	F- 2021	F- 2020	F- 2019	F- 2018	F- 2017	F- 2016	F- 2015
1	Estimated Value of Assets Financed	71,757	62,526	36,217	25,249	42,388	46,210	37,773	31,659	26,706	24,331
2	No. of Contracts	1,00,71,741	90,11,096	79,58,897	73,11,675	68,58,082	61,00,619	53,39,238	47,13,066	41,56,944	36,34,688
3	Total Assets*	1,15,159	96,217	75,289	77,036	74,071	67,078	52,793	45,837	39,462	35,074
4	Total Income*	13,562	11,056	9,719	10,517	10,245	8,810	6,685	6,238	5,905	5,585
5	Profit before depreciation & tax*	2,584	2,885	1,484	548	1,462	2,443	1,711	666	1,079	1,295
6	Depreciation*	229	187	127	126	118	60	44	46	41	42
7	Profit before tax*	2,355	2,698	1,357	422	1,344	2,382	1,667	620	1,038	1,254
8	Profit after tax*	1,760	1,984	989	335	906	1,557	1,076	400	673	832
9	Dividend %	315	300	180	40	-	325	200	120	200	200
10	Equity Share Capital*	247	247	247	246	123	123	123	113	113	113
11	Reserves & Surplus*	17,911	16,842	15,381	14,465	11,241	10,785	9,499	6,364	5,975	5,557
12	Net Worth*	18,157	17,089	15,628	14,712	11,364	10,908	9,622	6,477	6,088	5,669
13	No. of Employees Engaged	26,662	26,329	19,998	19,952	21,862	21,789	18,733	17,856	15,821	14,197
14	No. of Offices	1,370	1,386	1,384	1,388	1,322	1,321	1,284	1,182	1,167	1,108
15	Earnings Per Share - Basic (Rupees)* (Face value - ₹2/- per share)	14.26	16.09	8.02	3.03	10.09	25.33	18.52	7.09	11.92	14.75
16	Earnings Per Share - Diluted (Rupees)* (Face value - ₹2/- per share)	14.25	16.08	8.01	3.02	10.08	25.28	18.49	7.04	11.83	14.62

*Figures from F-2018 onwards are as per Ind AS and for earlier financial years as per IGAAP

Awards and Accolades

Business

- Awarded the CRIF Data Excellence Award in the Commercial (NBFC) category.

CSR

- Received special commendation for CSR Flagship Program 'Swabhimaan' at The CSR Journal Excellence Awards 2023 under the category of 'Education & Skill Training'.
- Honoured with the Rotary CSR Award for 'Distinguished Service in Community Development' for Company's CSR initiative 'Swabhimaan'.
- Won the award for Best Financial Inclusion Initiative for Company's Financial & Digital Literacy CSR Initiative at the DNA Awards 2023 presented during Banking Frontiers NBFC's Tomorrow Conclave.

Sustainability

- Globally ranked 45th by Futures Cape amongst top 100 Indian companies for Sustainability & CSR under Responsible Business 2020 by Futures Cape.
- Included in Dow Jones Sustainability Index (DJSI) - Only Company in India in Diversified and Financial sector to be included in the DJSI Sustainability Yearbook 2021 and having a score of 50 percentile in previous year.
- Became the first Indian Company in the "Banks, Diverse Financials, and Insurance" sector to have science-based targets validated by the Science based target initiative ("SBTi").

Marketing

- Won the 'Best Digital Initiatives' award at ASSOCHAM 18th Annual Summit & Awards on Banking & Financial Sector Lending Companies.
- Won the 'Best Product/Service Innovation' award at ASSOCHAM 18th Annual Summit & Awards on Banking & Financial Sector Lending Companies.

Human resources

- Recognised as one of 'India's 100 Best Companies to Work For' by Great Place To Work India.
- Recognised as India's Best Workplace for Millennials by Great Place To Work India-2024.
- Awarded IAC 2024 Award for 'Pioneering Work in Sculpting Talent for Tomorrow' in Private Sector at the Industry Academia Conference-2024.
- Recognised as 'Best NBFC in Talent & Workforce' by Business Today.

Mahindra and Mahindra Financial Services Limited aligns with the principles of the United Nations Global Compact (UNGC). Our commitment to social responsibility is reflected in our endorsement of the UNGC, which promotes 10 principles in the areas of human rights, labour standards, the environment, and anti-corruption.

GRI Mapping

Statement of Use	Mahindra Finance has reported in accordance with the GRI Standards for the period between 01st April 2023 to 31st March 2024.	
GRI 1 used	GRI 1: Foundation 2021	
	S: Section P: Principle, E: Essential Indicators L: Leadership Indicators	Reference to the BRSR Location P1E3: "Principle 1 Essential Indicators Question 3" SAQ1: Section A Question 1
Applicable GRI Sector Standard(s)	None	

GRI Standard No.	Disclosure	Section	Page No./BRSR location
GRI 2: General Disclosures 2021			
The organisation and its reporting practices	2-1 Organisational details	Who we are	18-19 SAQ1-Q5
	2-2 Entities included in the organisation's sustainability reporting	About the report	02
	2-3 Reporting period, frequency and contact point	About the report	2
	2-4 Restatements of information	None	-
	2-5 External assurance	About the report	3, 71
Activities and workers	2-6 Activities, value chain and other business relationships	Product Portfolio, Presence	20-23
	2-7 Employees	People	50-56 SAQ20
	2-8 Workers who are not employees	People	50-56 SAQ20
Governance	2-9 Governance structure and composition	Board of Director	08-11
	2-15 Conflicts of interest	Business Responsibility & Sustainability Reporting	P1E6
	2-16 Communication of critical concerns	Board of Director	10-11
	2-17 Collective knowledge of the highest governance body	Board of Director	10-11
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Chairman's message Managing Director & CEO's Message	04-07
	2-23 Policy commitments	Business Responsibility & Sustainability Reporting	SBQ1
	2-24 Embedding policy commitments	Business Responsibility & Sustainability Reporting	SBQ1
	2-27 Compliance with laws and regulations	Business Responsibility & Sustainability Reporting	SBQ10
	2-28 Membership associations	Business Responsibility & Sustainability Reporting	P7E1
Stakeholder engagement	2-29 Approach to stakeholder engagement	Value created for stakeholders	12-13
	2-30 Collective bargaining agreements	As there are no trade unions, there is no collective bargaining agreements'	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality assessment	30-31
	3-2 List of material topics	Materiality assessment	30-31
Economic Performance			
GRI 201: Economic Performance 2016	3-3 Management of material topics	Investors	43
	201-1 Direct economic value generated and distributed	Investors	43
GRI 202: Market Presence 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	P5E2
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Business Responsibility & Sustainability Reporting	P5E2
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Community	58
	203-2 Significant indirect economic impacts	Community	58-62

GRI Standard No.	Disclosure	Section	Page No./BRSR location
GRI 204: Procurement Practices 2016	3-3 Management of material topics	-	
	204-1 Proportion of spending on local suppliers	-	13, 28
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	SCQ4
	205-2 Communication and training about anti-corruption policies and procedures	Business Responsibility & Sustainability Reporting	SCQ4
	205-3 Confirmed incidents of corruption and actions taken	-	SCQ5
GRI 206: Anti-competitive Behaviour 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	P7E2
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Responsibility & Sustainability Reporting	P7E2
Environmental Performance			
GRI 302: Energy 2016	3-3 Management of material topics	Environment	65
	302-1 Energy consumption within the organisation	Environment	P6E1
	302-2 Energy consumption outside of the organisation	Environment	P6E1
	302-3 Energy intensity	Environment	P6E1
	302-4 Reduction of energy consumption	Environment	P6E1
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Environment	65
	303-3 Water withdrawal	Business Responsibility & Sustainability Reporting	P6E3
	303-4 Water discharge	Business Responsibility & Sustainability Reporting	P6E4
	303-5 Water consumption	Business Responsibility & Sustainability Reporting	P6E3
GRI 305: Emissions 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	P6E7
	305-1 Direct (Scope 1) GHG emissions	Business Responsibility & Sustainability Reporting	P6E7
	305-2 Energy indirect (Scope 2) GHG emissions	Business Responsibility & Sustainability Reporting	P6E7
	305-3 Other indirect (Scope 3) GHG emissions	Business Responsibility & Sustainability Reporting	P6E7
	305-4 GHG emissions intensity	Business Responsibility & Sustainability Reporting	P6E7
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Business Responsibility & Sustainability Reporting	P6E6
GRI 306: Waste 2020	3-3 Management of material topics	Environment	65
	306-3 Waste generated	Business Responsibility & Sustainability Reporting	P6E9
Social Performance			
GRI 401: Employment 2016	3-3 Management of material topics	People	50
	401-1 New employee hires and employee turnover	People	56
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Business Responsibility & Sustainability Reporting	P3E1
	401-3 Parental leave	People	57
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	People	50
	403-9 Work-related injuries	Business Responsibility & Sustainability Reporting	P3E11
GRI 404: Training and Education 2016	301-1 Materials used by weight or volume	People	50
	404-1 Average hours of training per year per employee	People	55
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	People	50
	405-1 Diversity of governance bodies and employees	Board of Director	08
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	P5E6
	406-1 Incidents of discrimination and corrective actions taken	Business Responsibility & Sustainability Reporting	P5E6

GRI Standard No.	Disclosure	Section	Page No./BRSR location
GRI 408: Child Labour 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	P5E6
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Responsibility & Sustainability Reporting	P5E6
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	P5E1
	410-1 Security personnel trained in human rights policies or procedures	Business Responsibility & Sustainability Reporting	P5E1
GRI 413: Local Communities 2016	3-3 Management of material topics	Community	58
	413-1 Operations with local community engagement, impact assessments, and development programmes	Community	58-62
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer	46-48
	417-2 Incidents of non-compliance concerning product and service information and labeling	The Company operates in a highly regulated sector with strong systems, and no such incidents were reported.	-
	417-3 Incidents of non-compliance concerning marketing communications	The Company operates in a highly regulated sector with strong systems, and no such incidents were reported.	-

Sustainable Development Goals (SDGs) Mapping

Goal No	Sustainable Development Goals	Page No.
1	End poverty in all its forms everywhere	58
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	58
3	Ensure healthy lives and promote well-being for all at all ages	49,58,63
4	Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	49,58
5	Achieve gender equality and empower all women and girls	49
6	Ensure availability and sustainable management of water and sanitation for all	63
7	Ensure access to affordable, reliable, sustainable and modern energy for all	63
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	46,49,58
9	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	21,46,58, 63
10	Reduce inequality within and among countries	49,58
11	Make cities and human settlements inclusive, safe, resilient and sustainable	63
12	Ensure sustainable consumption and production patterns	21,63
13	Take urgent action to combat climate change and its impacts	63
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	-
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	58
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	58
17	Strengthen the means of implementation and revitalise the global partnership for sustainable development	21, 49,58,63

DNV

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Mahindra & Mahindra Financial Services Limited (Corporate Identity Number L65921MH1991PLC059642, hereafter referred to as 'MMFSL or 'the Company') to undertake an independent assurance of the Company's non-financial disclosures in Integrated report.

- "in accordance" to requirements of Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (SDGs)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

DNV carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits.* DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.
Apart from DNV's VeriSustain™ protocol, DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; ISO 14046 - *Environmental management - Water footprint - Principles, requirements, and guidelines* to evaluate indicators with respect to Greenhouse gases and water disclosures respectively.

The intended user of this assurance statement is the Management of MMFSL ('the Management').

As per agreed scope of work, DNV performed limited level of assurance of GRI disclosure in IR. Details of Scope are mentioned in the section 'Scope, Boundary and Limitations'. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of MMFSL and of the Assurance Provider

The Management of MMFSL has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. MMFSL is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included information on non- financial performance which were disclosed in the Report prepared by MMFSL based on GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01/04/2023 to 31/03/2024. The reported topic boundaries of non-financial performance is based on the internal and external materiality assessment covering Company's operations as brought out in the section 'Reporting boundary and period' of the report.

While the scope of work as agreed is Limited level assurance of the GRI disclosures indicators in the IR report, assurance was carried out for the indicators disclosures as mentioned in Annexure I.

Boundary covers the performance of MMFSL operations in India that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary covers the operations of MMFSL across all locations in India. The boundary for GHG footprint, water footprint, energy footprint, and waste management related disclosures is limited to all the branches located in India.

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. www.dnv.com

DNV

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.
The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of MMFSL. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

1. Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
2. Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
3. Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
4. Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
5. Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
6. DNV audit team conducted on-site audits for corporate offices and sites (mentioned in Annexure II). Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
7. Reviewed the process of reporting as defined in the assessment criteria.

DNV

Conclusion

Limited Level of Assurance
On the basis of the assessment undertaken, for GRI disclosures as mentioned in Annexure I, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

1. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.
The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for MMFSL's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. Responsiveness

The extent to which an organization responds to stakeholder issues.
The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.
Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

3. Reliability/Accuracy

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.
The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with MMFSL's management teams and process owners at the Head Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.
Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

4. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?
The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.
Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

5. Neutrality/Balance

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.
The Report brings out the disclosures related to MMFSL's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

DNV

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of MMFSL.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV Business Assurance India Private Limited

Digitally signed by Chaudhari, Tushar Date: 2024.06.22 19:30:55 +05'30'	Date: 2024.06.22 19:41:04 +05'30'
Tushar Chaudhari Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Anjana Sharma Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Sameeksha Patil (Verifier)	

22/06/2024, Pune, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[1] *DNV Corporate Governance & Code of Conduct* – https://www.dnv.com/about/in-brief/corporate-governance.html

DNV

Annex I

GRI disclosures assured for Limited level of assurance:

- GRI 2: General Disclosures 2021- 2-1 to 2-9, 2-15-2-18, 2-22 to 2-30
- GRI 3: Material Topics 2021 – 3-1, 3-2,3-3
- GRI 201-Economic Performance 2016- 201-1
- GRI 203: Indirect economic impact 2016 – 203-2;
- GRI 204: Procurement Practices 2016- 204-1;
- GRI 205: Anti-corruption 2016- 205-2, 205-3;
- GRI 206: Anti-competitive Behavior 2016- 206-1;
- GRI 302: Energy 2016 – 302-1, 302-2, 302-3, 302-4;
- GRI 303: Water and Effluents 2018 -303-5;
- GRI 305: Emissions 2016 -305-1,305-2,305-3, 305-4;
- GRI 306: Waste 2020 –306-5;
- GRI 401: Employment 2016 – 401-1, 401-3;
- GRI 403: Occupational Health & Safety 2018 – 403-9;
- GRI 404: Training and Education 2016 – 404-1;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 408: Child Labor 2016 - 408-1;
- GRI 409: Forced or Compulsory Labor 2016 – 409-1;
- GRI 413: Local Communities 2016 – 413-1;
- GRI 417: Marketing and Labelling 2016- 417-1, 417-2, 417-3.

* GHG emissions are calculated as per CEA, India, version 19, ICEC Carbon emission calculator, Defra emission factors database

** In Scope 3 GHG emissions is calculated for Category 1-(Paper consumption), 6 and 7 as per GHG Protocol

DNV

Annex II

Sites selected for On-site audit

Sr. no.	Site	Location
1.	Head office	Mumbai
2.	India Branches	Uppala, Kottayam (Kerala), Cochin, Haveri, Simla Ro, Gandhinagar, Berhampur, Hyderabad Ro, Shahapur

Board's Report

Dear Shareholders,

Your Directors are pleased to present their Thirty-Fourth Report together with the audited financial statements of your Company for the Financial Year ended 31st March 2024 ("FY2024").

Financial Summary and Operational Highlights

(₹ in crore)

Particulars	Consolidated		% Change	Standalone		% Change
	FY2024	FY2023		FY2024	FY2023	
Total Income	**15,970.32**	**12,832.40**	**24.45**	**13,562.42**	**11,056.09**	**22.67**
Less: Finance Costs	6,959.20	5,094.30		6,426.94	4,576.72	
Expenditure	6,204.20	4,695.64		4,551.30	3,539.56	
Depreciation, Amortization and Impairment	274.85	225.96		228.71	187.23	
Total Expenses	**13,438.25**	**10,015.90**	**34.17**	**11,206.95**	**8,303.51**	**34.97**
Profit before exceptional items and taxes	2,532.07	2,816.50		2,355.47	2,752.58	
Share of profit of Associates & Joint Ventures	56.11	43.32				
Exceptional items	-	(56.06)		-	(54.51)	
Profit Before Tax	**2,588.18**	**2,803.76**	**(7.69)**	**2,355.47**	**2,698.07**	**(12.70)**
Less: Provision For Tax						
Current Tax	716.10	498.15		664.93	486.28	
Deferred Tax	(70.97)	234.41		(69.08)	227.47	
Profit After Tax for the Year	**1,943.05**	**2,071.20**	**(6.19)**	**1,759.62**	**1,984.32**	**(11.32)**
Less: Profit for the year attributable to Non-controlling interests	10.36	(1.20)				
Profit for the Year attributable to owners of the Company	**1,932.69**	**2,072.40**	**(6.74)**	**1,759.62**	**1,984.32**	**(11.32)**
Balance of profit brought forward from earlier years	7,417.35	6,146.97		6,376.60	5,247.99	
Add: Other Comprehensive income /(Loss)	(6.71)	(13.35)		(4.97)	(12.92)	
Balance available for appropriation	9,343.33	8,206.02		8,131.25	7,219.39	
Less: Appropriations						
Dividend paid on Equity Shares	740.23	443.87		741.32	444.79	
Transfer to Statutory Reserves	352.94	402.86		352.00	398.00	
Add/Less: Other Adjustments						
Gross obligation at fair value to acquire Non-controlling interest	-	59.41		-	-	
Changes in Group's Interest	114.13	(1.35)		-	-	
Balance carried forward to balance sheet	8,364.29	7,417.35		7,037.93	6,376.60	
Net worth	**19,933.25**	**18,560.09**	**7.40**	**18,157.49**	**17,088.91**	**6.25**

Consolidated Performance Highlights

- Total Income increased by 24.45% to ₹ 15,970.32 crore for FY2024 as compared to ₹ 12,832.40 crore in FY2023.
- Profit Before Tax ("PBT") decreased by 7.69% to ₹ 2,588.18 crore for FY2024 as compared to ₹ 2,803.76 crore in FY2023.
- Profit After Tax ("PAT") (Net of non-controlling interest) decreased by 6.74% to ₹ 1,932.69 crore for FY2024 as compared to ₹ 2,072.40 crore in FY2023.

Standalone Performance Highlights

- During the year under review, the Company has disbursed loans of ₹ 56,208.22 crore as against ₹ 49,541.38 crore during the previous year, an increase of 13.46% over the same period in previous year.
- Total Income increased by 22.67% to ₹ 13,562.42 crore for the year ended 31st March 2024 as compared to ₹ 11,056.09 crore for the previous year.
- PBT decreased by 12.70% to ₹ 2,355.47 crore as compared to ₹ 2,698.07 crore for the previous year.

- PAT decreased by 11.32 % to ₹ 1,759.62 crore as compared to ₹ 1,984.32 crore in the previous year.
- The Assets Under Management ("AUM") stood at ₹ 1,02,596.77 crore as at 31st March 2024 as against ₹ 82,769.87 crore as at 31st March 2023.

Gross Stage 3 improved due to focused collection initiatives and macro tailwinds. The Gross Stage 3 loan assets stood at ₹ 3,490.90 crore, lower than that on 31st March 2023 (₹ 3,717.10 crore). The Gross Stage 3 percentage to Business Assets declined from 4.49% as at 31st March 2023 to 3.40% as at 31st March 2024.

Material changes from the end of the financial year till the date of this report

No material changes and commitments have occurred after the closure of the Financial Year 2023-24 till the date of this Report, which would affect the financial position of your Company.

ECL and other updates

The Company has been updating the Expected Credit Loss model ("ECL") with the latest set of data inputs on reasonable periodic intervals to capture the expected significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. During the current year, the Company has updated its ECL model by including multi-factor macro-economic variables and product classification of loan portfolio for its retail vehicle loans and used industry level benchmark allowance rate for its relatively new portfolio under leasing business, which has been recommended by the Audit Committee and approved by Board of Directors. The Company holds provision towards expected credit loss on loans as at 31 March 2024 aggregating to ₹ 3,401.59 crore (as at 31 March 2023: ₹ 3,287.83 crore).

The Company's net Stage-3 assets ratio stood at 1.28% as at 31st March 2024 as against 1.87% as at 31st March 2023.

Transfer to Reserves

The Company has transferred an amount of ₹ 352 crore to the Statutory Reserves, in compliance with section 45-IC of the Reserve Bank of India ("RBI") Act, 1934. Further, the Board of your Company has decided not to transfer any amount to the General Reserve for the year under review. An amount of ₹ 7,037.93 crore is proposed to be retained in the Profit and Loss Account of the Company.

Considering good performance and strong cash flows, your Directors are pleased to recommend a dividend of ₹ 6.30 per equity share (315%) on the face value of ₹ 2 each, for FY2024 vis-a-vis 300% dividend in FY2023.

The Company maintains sufficient liquidity buffer to fulfil its obligations arising out of issue of debentures. The Company being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed or public issue of debentures, as per the provisions of section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014. In respect of secured listed non-convertible debt securities, the Company maintains 100% security cover or higher security cover as per the terms of Information Memorandum, General Information Document ("GID"), Key Information Document ("KID"), as the case may be and/or Debenture Trust Deed, sufficient to discharge the liability towards principal amount and interest thereon.

Dividend

Considering good performance and strong cash flows, your Directors are pleased to recommend a dividend of ₹ 6.30 per equity share (315%) on the face value of ₹ 2 each, for FY2024 vis-a-vis 300% dividend in FY2023. Dividend is subject to approval of the Members at the ensuing Annual General Meeting. The dividend outgo for FY2024 will absorb a sum of ₹ 778.38 crore, which constitutes 44.2% pay out of Company's Standalone Profits for FY2024.

The Company has not paid any Interim Dividend during the financial year under review.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy, within the ceiling and in compliance with the framework prescribed in RBI guidelines on Declaration of Dividend by NBFCs.

Tax on Dividend

In terms of the provisions of the Income-tax Act, 1961, the Company will make payment of dividend after deduction of tax at source ("TDS") as per the prescribed rates, to those shareholders whose names appear as beneficial owner/ member in the list of beneficial owners to be furnished by National Securities Depository Limited/ Central Depository Services (India) Limited in case of shares held in dematerialised form, or in the Register of Members in case of shares held in physical form, as at the close of business hours on 16th July 2024 (Book Closure).

Unclaimed dividend transferred to Investor Education and Protection Fund

In terms of the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year under review, the Company has transferred an amount of ₹ 7,87,140 being the unclaimed dividend for FY2016 to the Investor Education and Protection Fund ("IEPF"). The details of total amount(s) lying in unpaid dividend account of the Company for last seven years and due to be transferred to IEPF, is mentioned in the Report on Corporate Governance, forming part of this Annual Report.

Dividend Distribution Policy

In compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Dividend Distribution Policy, setting out criteria and circumstances to be considered by the Board while recommending dividend to the shareholders. The Dividend Distribution Policy provides for eligibility criteria, aspects to be considered by the Board while recommending dividend, ceiling on dividend payout ratio etc. in accordance with the Reserve Bank of India guidelines on declaration of dividend dated 24th June 2021.

As set out in Dividend Distribution Policy, the Company's dividend payout is determined based on available financial resources, investment requirements and optimal shareholder return. Within these parameters, the Company endeavours to maintain a total dividend pay-out ratio in the range of 20% to 30% of the annual standalone Profit after Tax ("PAT") of the Company.

The Dividend Distribution Policy is appended as **"Annexure I"** and forms part of this Annual Report.

The Dividend Distribution Policy can also be accessed on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

Operations

Your Company's main line of business is financing of automobiles and tractors for customers who use them mainly for earning their livelihood and for their personal mobility. It also focusses on other businesses like pre-owned car loans, SME financing, insurance broking (through its subsidiary, Mahindra Insurance Brokers Limited), mutual fund distribution (through its JV, Mahindra Manulife Investment Management Private Limited), fixed deposits etc. Additionally, your Company is also foraying into other areas like leasing, consumer finance and loan against property. By offering a wide range of easy and affordable products and services tailored to fit their cashflow cycles, your Company continues to be a vital financier to its customers in semi-urban and rural areas. Your Company has retained its leadership position in financing the Mahindra range of vehicles and tractors. Additionally, your Company is expanding its connect with other leading Car Original Equipment Manufacturers ("OEMs").

Your Company has retained its leadership position in financing the Mahindra range of vehicles and tractors. Additionally, your Company is expanding its connect with other leading Car Original Equipment Manufacturers ("OEMs").

Building Blocks for Growth, Efficiency, Customer Experience

A. Deeper Physical Reach

Your Company has an extensive PAN-India distribution network with 1,370 offices/branches spanning across 27 States and 7 Union Territories as on 31st March 2024. Due to its extensive office network, your Company is less dependent on any one region in the Country. Additionally, some regional, climatic, and cyclical dangers, such as heavy monsoons or droughts, are lessened by geographic diversification. The vast office network of the Company enables each office to organically build its business and use its client connections by providing financial products like vehicle financing, pre-owned car loans, SME financing, insurance broking, mutual fund distribution, fixed deposits etc. There are guardrails defined centrally to ensure asset quality standards. Your Company believes that its efficient office network in rural and semi-urban areas has afforded an opportunity to meet the financial needs of the people of India by identifying and comprehending their needs and aspirations.

B. Enhancing Digital Reach

Ever evolving technology enabled your Company to extend digital footprints across the geographies and customer segments. Your Company's focus on mobile technology has made mobile app a crucial channel for various aspects of customer service, fostering brand loyalty, customer retention, acquire new customers and revenue generation.

The '**MF Customer APP**' which is available in 11 languages (including 9 Indian regional languages), enables customers to apply for vehicle loans, access and manage their loan accounts, create E-mandate, make EMI payments using a variety of payment methods, including debit cards, net banking, UPI and QR code. In the fiscal year 2024, app users increased by 40%, reaching 8.7 lakh users, and collections from the app doubled.

To empower employees, customers, and stakeholders, your Company offers robust digital alternatives through a redesigned unified app for customer acquisition, underwriting, and collection processes. Embracing the shift from conducting business digitally to becoming digitally led businesses is now an integral part of your organizational strategy.

C. Leveraging Technology

Your Company's digital initiatives extend across different segments and products, including auto loans, pre-owned car loans, leasing, and SMEs.

Your Company has rolled out lead management app which help sales team to qualify incoming leads, analyse, nurture them and convert into new business opportunities. It also creates better experience for potential customers.

The rollout of 'QR code' based offer at dealership helps dealers and sales team of automotive vertical to pitch right offers from your Company to the customers on an almost relative basis.

The introduction of 'OneApp' has equipped on-field employees with decision-making capabilities through digital intervention, enhancing collection efficiency and transforming business digitally. The 'Used Car Digi Loans' initiative, in collaboration with industry leading brands, offers customers personalized loan offers from your Company, expediting purchasing decisions and improving customer satisfaction.

Your Company prioritizes enhancing core operations by adopting cloud-based loan origination systems, utilizing advanced API platforms for scalable transactions. Digitalisation has streamlined loan processing while still maintaining strict checks. Leveraging data sciences and artificial intelligence, your Company utilises business intelligence dashboards and machine learning models for strategic initiatives in lending, retention, and business expansion.

As part of endeavour to communicate with customers across a variety of digital platforms, your Company has set up an end-to-end hyper personalised marketing tech platform.

Your Company has started several digital interventions spanning across all employee categories (field force, support staff, office, remote staff, work from home employees), across all geographic regions, as a part of ongoing effort to improve employee experience.

In terms of risk management, your Company aligns processes with ISO 27001:2013 and COSO framework to minimize risks. Your Company regularly assesses risk, which involves implementing new technology, keeping track of it and having external/internal specialists audit the same. By implementing manual and automated technologies, the risks discovered during the assessment are suitably managed by mitigating, minimising, or transferring the risks. In accordance with the government's planned data privacy initiatives, the Company is adopting data privacy practices.

Your Company's strategic priority is to deliver a sustainable profitable growth characterised by continued growth of 15-20% Assets Under Management and a stable asset quality (Gross Stage-3 assets < 4.5%).

D. Data as Competitive Advantage

Your Company's 25+ years of rich experience in rural and semi-urban markets gives it an edge while using analytics and artificial intelligence. Your Company has introduced its own algorithms to provide low-risk customers with quicker loan approvals at variable interest rates, which will aid in growing market share, enhancing portfolio quality and boosting profitability. The integrated activation of Digital, Analytics and Technology will significantly improve customer acquisition, retention, cross-selling and collections. Through the strategic utilization of data and artificial intelligence, your Company is elevating the realm of customer experience, crafting bespoke financial solutions and offers tailored to the individual needs of our customers, thereby fostering growth and enhancing livelihoods. Your Company's steadfast commitment to driving operational excellence is exemplified through the automation of underwriting decisions using machine learning, a move that is helping the Company both augment productivity as well as fortify profitability. By leveraging advanced data science, your Company has built capability to proactively identify and mitigate risks within the portfolio, ensuring resilience in the face of evolving market dynamics. Your Company's dedication to innovation is underscored by substantial investments in Data and AI technologies, propelling our franchise towards future readiness and cementing our status as a formidable force within the competitive landscape.

E. Growth Drivers for Future

The Company's vision is to be ***"A leading and responsible financial solutions partner of choice for emerging India."***

Our vision signifies our commitment to service our customers in emerging India in a responsible manner and simultaneously achieve profitable growth. It further establishes our commitment to be a provider of comprehensive financial solutions, beyond lending. The phrase "partner of choice" holds significance as it reflects our dedication to prioritising digital initiatives, enhancing customer experience and expanding our range of products.

The strategic priority is to deliver a sustainable profitable growth characterised by continued growth of 15-20% in Assets Under Management ("AUM") and a stable asset quality (Gross Stage-3 assets < 4.5%).

Your Company is concentrating on developing its core products and expanding into new growth areas. Financing of Pre-owned cars, used tractors and commercial vehicles have a lot of head room to grow within the vehicle segments while increasing market share for its existing range of products.

With an aim to provide comprehensive range of financial solutions under one roof, your Company has entered into strategic tie-ups during the year under review viz. co-lending arrangement with State Bank of India and Lendingkart and partnership agreement with Bank of Baroda for co-sourcing of car loan leads. These arrangements provide wider outreach, better interest rates and credit to the unserved segments of the society.

Your Company will keep on further refining its risk policy norms and underwriting to ensure that asset quality continues to stay top-class.

Other Developments

- **Buy out of stake in Mahindra Insurance Brokers Limited**

  Mahindra Insurance Brokers Limited ("MIBL"), subsidiary of the Company, is engaged in the business of direct and reinsurance broking.

  Pursuant to the approval received from Insurance Regulatory and Development Authority of India ("IRDAI"), your Company has acquired 20,61,856 equity shares of ₹ 10 each of MIBL (20% stake), at an aggregate price of ₹ 206.39 crore. Consequent to this MIBL became a wholly owned subsidiary of the Company with effect from 22nd September 2023.

- **Corporate Insurance Agency**

  Your Company proposes to carry on the supplemental business activity of soliciting/ procuring insurance business by becoming a Corporate Agent and providing specialized insurance solutions in the areas of life insurance, health insurance and general insurance-both group and individual (Corporate Agent-Composite) in the geographies that the Company operates in, subject to approval of IRDAI.

  The shareholders of the Company vide special resolution passed through postal ballot on 19th January 2024 approved amendment to the Memorandum of Association ("MOA") of the Company to enable the Company to carry on insurance business inter-alia as a Corporate Agent and undertake all incidental activities.

  The corporate agency license would help in broadening your Company's product portfolio by incorporating insurance solutions. It would help customers with their financial and insurance needs being met by a single entity. The process would augment the Company's existing sources of revenue and profits as it deploys its common infrastructure of branch network and feet on street. As on the date of the report, your Company has made an application to IRDAI, seeking approval for registering itself as Corporate Agent.

Your Company proposes to carry on the supplemental business activity of soliciting/ procuring insurance business by becoming a Corporate Agent and providing specialized insurance solutions in the areas of life insurance, health insurance and general insurance-both group and individual.

Strategic Tie-ups / Partnerships

Co-lending partnership with State Bank of India

Your Company entered into strategic co-lending partnership with State Bank of India ("SBI"), India's pioneer bank. This collaboration is a step forward in enhancing financial accessibility and inclusivity.

Company's strong rural distribution network and expertise in the financial sector and SBI's competitive capital cost, provides customers with a competitive advantage and joint financial support thereby enabling credit to the unserved segments of the economy at an affordable cost. Under the said partnership, your Company facilitates leads and manages loan servicing while serving as a single point of contact for prospective customers.

Co-lending partnership with Lendingkart

Your Company has entered into Co-lending partnership with Lendingkart, a pioneer in financial services. This co-lending partnership provides business loans to the Small & Medium Enterprise ("SME") sector, thereby fostering financial inclusion for small and medium enterprises and enabling diversification of Company's product portfolio.

Co-sourcing partnership with Bank of Baroda

Your Company has entered into partnership agreement for co-sourcing of car loan leads. Under this tie-up, your Company generates new and pre-owned car loan leads for Bank of Baroda through its widespread field and branch distribution channels, complemented by Bank of Baroda's wide network across the country for loan processing. The said arrangement aims at providing comprehensive range of financial solutions under one roof and enabling credit access to a wide spectrum of customers across locations.

Change in Nature of Business

There has been no change in the nature of business and operations of the Company during the year under review.

RBI Compliances

Reserve Bank of India ("RBI") has notified Scale Based regulations ("SBR") on 22nd October 2021. Your Company has been categorised as an NBFC-Upper Layer vide press release dated 30th September 2022, issued by RBI. Your Company has always endeavored to maintain the highest standards of compliance within the organisation and shall continue to do so going ahead. The Company continues to comply with all the applicable laws, regulations, guidelines etc. prescribed by the RBI, from time to time including the norms pertaining to capital adequacy, non-performing assets etc. Your Company's asset liability management is reviewed on quarterly basis by a focused Board level committee viz. Asset Liability Committee. Your Company's liquidity coverage ratio ("LCR") was 313% as on 31st March 2024 against the mandatory requirement of 85%.

Your Company has adopted all the mandatory applicable policies under SBR like Large Exposure Policy, Internal Capital Adequacy Assessment Policy (ICAAP), Compliance Policy etc.

Compliance Risk Assessment Framework and Compliance Testing program ("CRAFT")

Your Company has put in place Compliance Risk Assessment Framework and Compliance Testing program in compliance with RBI circular dated 11th April 2022.

Business Continuity Policy

In order to have robust framework & process for Business continuity, your Company has implemented Business Continuity Policy ("BCP") which inter-alia includes identification, monitoring, reporting, responding and managing the risks including mitigating risks of a significant / prolonged business disruption in order to protect the interests of the Company's customers, employees and stakeholders.

Your Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management and governance standards in the organisation.

Internal Ombudsman

Your Company has appointed an Internal Ombudsman ("IO") in compliance with the RBI Circular dated 15th November 2021. A Report of number of complaints escalated to IO and status of disposal of such complaints during the period under review is being placed before the Board for its review in compliance with the said RBI circular.

Finance

During the year under review, Reserve Bank of India ("RBI") focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. Accordingly, RBI has maintained the REPO Rate at 6.50% during FY2024. Liquidity conditions remained tight throughout the year with the banking sector liquidity remaining largely negative during the FY2024.

Your Company has been categorised as an NBFC-Upper Layer and continues to comply with all the applicable laws, regulations, guidelines etc. prescribed by the RBI.

Inflation in India has remained below 6% (RBI upper tolerance limit) throughout the year. Consumer Price Index ("CPI") inflation was 4.85% in March 2024. Globally, inflation showed a downward trajectory and seems to be moderating paving the way for a growth revival. However, this comes with a caution as successive shocks like the Russian-Ukraine war, Israel-Hamas-Iran conflict, global uncertainty are still weighing on the economy and macro financial stability including financial sector stress. The rupee has remained stable against the US dollar throughout the year in the range of ₹ 82/$ to ₹ 83/$.

The 2 Year and 10 Year G Sec curve have remained around 7.05% and 7.15% respectively throughout the financial year. During the year Interest cost on borrowed funds remained elevated for the Company i.e., 7.69% (interest cost to average borrowing).

During the year under review, your Company continued with its diverse methods of sourcing funds including borrowing through Secured and Unsecured Debentures, Term Loans, External Commercial Borrowings, Securitisation, Fixed Deposits, Commercial Papers, Inter Corporate Deposit etc. and maintained prudential Asset Liability match throughout the year. Your Company sourced long-term debentures and loans from banks and other institutions at attractive rates. Your Company continues to expand its borrowing profile by tapping new lenders and geographies.

Securitisation

During the year, your Company successfully completed three securitisation transactions aggregating to ₹ 2,929 crore.

Non-Convertible Debentures

During the year under review, your Company raised an aggregate of ₹ 6,572.86 Crore (₹ 8650 Crore being the face value) through issuance of Non-Convertible debentures on private placement basis as mentioned hereunder:

1. ₹ 5,865.14 crore, raised though issuance of Secured Redeemable Non-Convertible Debentures ("NCDs").
2. ₹ 705.62 crore raised through issuance of Unsecured Redeemable Non-Convertible Subordinated Debentures eligible for Tier II Capital.
3. ₹ 2.1 crore raised through issuance of Partly paid-up NCDs.

As specified in the respective offer documents, the funds raised from issuance of NCDs were utilised for various financing activities, onward lending, repaying the existing indebtedness, working capital and for general corporate purposes of the Company. Details of the end-use of funds were furnished to the Audit Committee on a quarterly basis. The NCDs are listed on the debt market segment of BSE Limited.

During the year, your Company has redeemed NCDs worth ₹ 3,969.70 crore and subordinated debt worth ₹ 127.80 crore on private placement basis.

Your Company is in compliance with the applicable guidelines issued by the RBI and Securities and Exchange Board of India in this regard.

There has been no default in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis and through public issue. Further, there was no deviation/variation in use of proceeds raised from the objects stated in the offer document. As on 31st March 2024, there was no unpaid/unclaimed interest on NCDs issued on a private placement basis. With respect to the three public issuances of NCDs made by the Company, aggregate Principal payment of ₹ 10,93,000/- and Interest of ₹ 31,02,515/- was unclaimed by the investors as on 31st March 2024.

Commercial Paper

As at 31st March 2024, the Company had Commercial Paper ("CPs") with an outstanding amount (face value) of ₹ 4,975 crore. CPs constituted approximately 5.4% of the outstanding borrowings as at 31st March 2024. The CPs of the Company are listed on the debt market segment of the National Stock Exchange of India Limited.

Borrowings

In order to expand the business of the Company and to cater the enhanced budgeted disbursements, the Board of Directors of the Company have subject to the approval of the shareholders of the Company, approved increase in the overall borrowing limit from ₹ 1,10,000 crore to ₹ 1,30,000 crore.

The Company had outstanding borrowings (excluding securitisation and TREPS) of ₹ 85,097.72 crore as on 31st March 2024, breakup of which is given as under:

Particulars	Fixed Deposits	Bank Loans (TL/ OD/CC/ WCDL)	Non-Convertible Securities (Privately placed & Public NCD)	Subordinate Debt (Privately placed & Public NCD)	Commercial Paper	ICD	External Commercial Borrowings	Total
Amount in crore (₹)	7,174.74	44,859.83	21,843.82	4,005.66	4,882.12	229.50	2,102.05	85,097.72
% to outstanding borrowings (excluding securitisation and TREPS)	8.43	52.72	25.67	4.71	5.74	0.27	2.46	100.00

Figures are as per reported Ind AS financial statements.

Credit Rating

Your Company enjoys highest rating for its long term and short term borrowing programmes from all the credit rating agencies that it works with. Your Company has been rated by CRISIL Ratings Limited ("CRISIL") & India Ratings and Research Private Limited ("India Ratings") for its Non-Convertible Debentures program, Commercial Paper, Banking Facilities & Fixed Deposits. Further, CARE Ratings Limited ("CARE") and Brickwork Ratings India Pvt. Ltd. ("BWR") has rated your Company for the Non-Convertible Debentures program. These rating agencies have re-affirmed the highest credit rating for your Company's short term & long term borrowing instruments. Your Company believes that its credit ratings and strong brand equity enables it to borrow funds at competitive rates. The details of ratings are given in the Corporate Governance Report, forming part of this Annual Report.

Capital Adequacy

As on 31st March 2024, the Capital to Risk Assets Ratio ("CRAR") of your Company was 18.86% which is well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India.

Your Company enjoys highest rating for its long-term and short-term borrowing programmes from all the credit rating agencies that it works with.

Out of the above, Tier I capital adequacy ratio stood at 16.39% and Tier II capital adequacy ratio stood at 2.47% respectively.

Share Capital

The issued, subscribed and paid-up Equity Share Capital as on 31st March 2024 was ₹ 247.1 crore, consisting of 123,55,29,920 Equity Shares of the face value of ₹ 2 each, fully paid-up.

There was no change in the issued, subscribed and paid-up share capital during the year under review.

As on 31st March 2024, none of the Directors of the Company hold instruments convertible into equity shares of the Company. Details of RSUs granted to Executive Directors are given the Corporate Governance Report forming part of this Annual Report.

Economy

Global Economy

Financial year 2024 witnessed demand regardless of tightening financial conditions, simmering geo-political risks and adverse weather patterns. For instance, the US Federal Reserve increased policy rates to the highest level in over two decades, but elevated government spending supported tight labour market conditions and hence robust retail demand. Hot wars near the Black Sea, the Red Sea and the Gaza strip pushed up trading costs, however this came against a backdrop of low input cost pressures brought about by improving supply chain conditions and expectations of weak global growth. Finally, El Nino conditions led to deficient rains hampering agricultural output. In this midst, aggressive output curbs announced by Organization of the Petroleum Exporting Countries (OPEC) pushed up crude oil prices close to USD 100/bbl during the year; fortunately, higher supply from America brought temporary respite to fuel costs. As a result of countervailing factors, demand momentum and consumer sentiment were stronger than expected resulting in central banks tightening financing conditions even further and pushing policy rate cut expectations deeper into financial year 2025.

Domestic Economy

In India, El Nino conditions disrupted agricultural output, however, lower input costs and higher construction activity supported rural income growth. The main growth push came from rising services' exports, leveraged consumption by wealthier households and public sector infrastructure spending. This has resulted in over 8% growth in the last three quarters of calendar year 2023. Full financial year 2024 growth is at 7.2%. Apart from improving consumer sentiment, the economy is benefiting from revival in corporate sector project announcements which augurs well for job generation and near 7% growth in financial year 2025. The RBI has kept policy rates on hold after raising them by 250 bps in the current cycle, instead the regulator engaged in macro-prudential tightening by raising risk weights for unsecured personal loans and bank lending to NBFCs. While the RBI presently maintains its stance of withdrawing accommodation, space to cut policy rates by 50 bps to 6% in financial year 2025 could emerge if headline inflation eases towards 4% on good monsoons.

Management Discussion and Analysis

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Your Company voluntarily observes a 'Silent / Quiet period' starting from 1st day of the start of the month after the end of the quarter for which the financial results are to be announced till the time of announcement of said results. During this period, no meetings with investors/ analysts/funds are held to discuss unpublished financial performance of the Company to ensure protection of the Company's UPSI.

Corporate Governance

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to integrity and transparency in all its dealings and places high emphasis on business ethics. The Board of your Company exercises its fiduciary responsibilities in the widest sense of term and endeavours to enhance long-term shareholder value. The Governance framework is anchored by the clearly defined policies and procedures covering areas such anti-bribery and anti-corruption, Prevention of Sexual Harassment at Workplace and Whistle Blower Policy. Company's disclosure regime is aimed at achieving best practices, globally.

A Report on Corporate Governance along with a Certificate from M/s. Makarand M. Joshi & Co., Secretarial Auditors, certifying compliance with the conditions of Corporate Governance forms part of this Annual Report.

Ethics Framework

The Ethics & Governance framework is anchored by clearly defined policies and procedures, covering areas such as Anti-Bribery and Anti-Corruption Policy ("ABAC"), Policy on Gifts & Entertainment ("G&E"), Policy on Prevention of Sexual Harassment at Workplace ("POSH"), Whistle-Blower Policy ("WB") to ensure robust Corporate Governance.

The Code of Conduct and all the Company's policies are accessible on the Company's website; in the Governance section at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

During the year, ABAC, POSH and WB policies were revised to align for ease of comprehension and to align with internal and external environment. It enables the Company to make the right choices and demonstrate the highest standards of integrity and ethical behaviour.

The Code of Conduct Committee and the Audit Committee ensures that the Ethics & Governance framework is executed effectively and the decisions on substantiated cases are taken in a fair, just and consistent manner across business.

Investor Relations

During the current year, your Company has met multiple investors and analysts-both domestic and international. These sessions were undertaken through a mix of one-on-one or group meetings. Your Company also participated in multiple domestic conferences organised by reputed broking houses, in addition to accessing overseas investors through Non-Deal Roadshows ("NDRs"). Having meetings in virtual format (through conference calls and video conferencing) enabled accessing a larger investor base.

Your Company holds quarterly and annual earnings calls through structured conference calls and/or weblinks, details of which are made available to public through the Company's website and stock exchange(s).

During these meetings/ earnings calls, the interactions are based on generally available information accessible to the public in a non-discriminatory manner. No unpublished price-sensitive information is shared during such meetings. Your Company believes in transparent communication and have been voluntarily disclosing critical information regarding Company's performance through monthly updates.

Silent period

As a good governance practice, your Company voluntarily observes a 'Silent / Quiet period' starting from 1st day of the start of the month after the end of the quarter for which the financial results are to be announced till the time of announcement of said results. During this period, no meetings with investors/analysts/funds are held to discuss unpublished financial performance of the Company to ensure protection of the Company's Unpublished Price Sensitive Information ("UPSI").

Consolidated Financial Statements

The Consolidated Financial Statements of your Company, its subsidiaries, associate/joint venture for FY2024, prepared in accordance with the relevant provisions of the Companies Act, 2013 ("the Act") and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated Financial Statements of the Company, along with relevant documents and financial statement of each of the subsidiaries of the Company are available on the website of the Company and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/financial-information#financial-results

Subsidiaries, Joint Venture(s) and Associate(s)

A report on the performance and financial position of each of the Company's subsidiaries, associate/ joint venture is included in the Consolidated Financial Statements and the salient features of their financial statements and their contribution to overall performance of the Company as required under Section 129(3) of the Companies Act, 2013 ("the Act") read with Rule 8(1) of The Companies (Accounts) Rules, 2014, is provided in Form AOC-1, annexed as **'Annexure A'** to the Consolidated Financial Statements and forms part of this Annual Report.

Material Subsidiary

Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Accordingly, Mahindra Rural Housing Finance Limited was a material, debt listed subsidiary, of your Company for the financial year ended 31st March 2024.

Operational and performance highlights of the Company's Subsidiary/Joint venture Companies for FY2024 are given hereunder:

Mahindra Rural Housing Finance Limited

Mahindra Rural Housing Finance Limited ("MRHFL"), the Company's subsidiary, engaged in the business of providing loans for purchase, renovation and construction of houses to individuals in the low and middle income category of the country, registered a total income of ₹ 1,294.44 crore as compared to ₹ 1,349.80 crore for the previous year, decline of 4.10% over previous financial year. Profit Before Tax was 81.59% lower at ₹ 4.84 crore as compared to ₹ 26.29 crore for the previous year. Profit After Tax was 83.45% lower at ₹ 3.60 crore as compared to ₹ 21.75 crore in the previous year.

During the year under review, MRHFL disbursed loans aggregating to ₹ 2,071 crore serving more than 28,000 households as against ₹ 1,969 crore in the previous year. MRHFL is expanding its footprint in affordable housing.

Mahindra Insurance Brokers Limited

Mahindra Insurance Brokers Limited ("MIBL"), wholly owned subsidiary of the Company (effective 22nd September 2023) is engaged in the business of Direct and Re-insurance Broking.

During the year under review, there was growth of 13% in Gross Premium facilitated for the Corporate and Retail business lines, increasing from ₹ 4,036.80 crore in FY2023 to ₹ 4,555.86 crore in FY2024. The Total Income increased by 157% from ₹ 426.51 crore in FY2023 to ₹ 1,094.95 crore in the FY2024. The Profit Before Tax increased by 264% from ₹ 46.05 crore to ₹ 167.50 crore and the Profit After Tax increased by 259% from ₹ 34.44 crore to ₹ 123.52 crore during the same period.

Mahindra Manulife Investment Management Private Limited

Mahindra Manulife Investment Management Private Limited ("MMIMPL") acts as an Investment Manager for the schemes of Mahindra Manulife Mutual Fund ("Mutual Fund"). As on 31st March 2024, MMIMPL was acting as the investment manager to 22 schemes of the Mutual Fund. The average Assets Under Management in these 22 schemes were ₹ 19,659 crore as on 31st March 2024 as compared to ₹ 9,691 crore as on 31st March 2023, delivering a growth of 103% in assets. Of these assets, ₹ 17,613 crore were in equity and hybrid schemes in March 2024, as compared to ₹ 8,294 crore in March 2023, a growth of 112%. MMIMPL has empaneled 28,406 distributors and now has 9,12,891 investor accounts in these 22 schemes.

During the year under review, the total income of MMIMPL was ₹ 63.54 crore as compared to ₹ 44.12 crore for the previous year. The operations for the year under consideration have resulted in a loss of ₹ 27.27 crore as against a loss of ₹ 30.86 crore during the previous year.

Mahindra Manulife Trustee Private Limited

Mahindra Manulife Trustee Private Limited ("MMTPL") acts as the Trustee to Mahindra Manulife Mutual Fund ("Mutual Fund").

During the year, MMTPL earned trusteeship fees of ₹ 107.03 lakhs and other income of ₹ 10.29 lakhs as compared to ₹ 73.76 lakhs and ₹ 7.28 lakhs, respectively, for the previous year. MMTPL recorded a profit of ₹ 59.72 lakhs for the year under review as compared to profit of ₹ 16.06 lakhs in the previous year.

Mahindra Ideal Finance Limited (Sri Lanka)

Your Company holds a 58.2% stake in Mahindra Ideal Finance Limited (Sri Lanka) {"MIFL"} with a total investment of ₹ 77.97 crore. Leveraging Mahindra Finance's expertise of over 28 years in the financial services sector and the local management's expertise of the domestic market. MIFL is poised to build a leading financial services business in Sri Lanka.

With improving economic and business environment in Sri Lanka, MIFL witnessed significant rebound in its business. MIFL restarted its vehicle leasing disbursements albeit with caution, strict credit standards, and asset safeguards in place. Gold loan disbursements also surged during H2 FY2024. Year-round collection efficiency was above 100%. By 31st March 2024, Company's GS-3 level dropped to 5.25%, which is industry leading in the context of the Sri Lankan market.

MIFL's total income for the FY2024 was Srilankan rupee ("LKR") 2,309 million vs. LKR 1,924 million for FY2023. Profit Before Tax was 35% higher at LKR 334 million as compared to LKR 248 million for the previous year. Profit After Tax was 19% higher at LKR 103 million as compared to LKR 87 million in the previous year. MIFL continued investments in order to grow its business and enhance the customer experience and reach. During the course of the financial year, MIFL's branch network across the island country grew to 32 branches.

Mahindra Finance CSR Foundation

Mahindra Finance CSR Foundation was incorporated on 2nd April 2019 as a wholly owned subsidiary of the Company registered under Section 8 of the Act, to promote and support CSR projects and activities of the Company and its group Companies.

The foundation has obtained Registration under Section 12AA and Section 80G of the Income Tax Act, 1961 and CSR Registration Number.

Joint Venture/Associate

Mahindra Finance USA LLC ["MFUSA"]

MFUSA's retail and dealer disbursement registered an increase of 4.40% to USD 917.58 million for the year ended 31st March 2024 as compared to USD 877.18 million for the previous year.

Total Income increased by 25.54% to USD 77.84 million for the year ended 31st March 2024 as compared to USD 62.01 million for the previous year. Profit before tax was 15.49% higher at USD 22.86 million as compared to USD 19.80 million for the previous year. Profit after tax increased by 14.64% to USD 17.21 million as compared to USD 15.01 million in the previous year.

Changes in Subsidiaries, Joint Venture or Associate Companies during the year

During the year under review, your Company acquired 20% stake in Mahindra Insurance Brokers Limited ("MIBL"), held by Inclusion Resources Private Limited for an aggregate consideration of ₹ 206.39 crore, consequent to which it became a wholly owned subsidiary of the Company with effect from 22nd September 2023.

Except as mentioned above, there were no changes in the Company's Subsidiaries, Joint Venture/Associate Companies.

Fixed Deposits and Loans/Advances

Your Company offers a wide range of Fixed Deposit schemes that cater to the investment needs of various classes of investors. These Deposits carry attractive interest rates with superior service enabled by robust processes and technology. In order to tap rural and semi-urban savings, your Company continues to expand its network and make its presence felt in the most remote areas of the country.

During the year, CRISIL has reaffirmed a rating of 'CRISIL AAA/Stable' for your Company's Fixed Deposits. Additionally, Company's Fixed Deposit program also has AAA rating from India Ratings. This rating indicates that the degree of safety regarding timely payment of interest and principal is very strong. Your Company's Deposits continue to be a preferred investment avenue amongst the investors.

As on 31st March 2024, your Company has mobilised funds from Fixed Deposits to the tune of ₹ 7,197.20 crore, with an investor base of over 95,979 investors.

Your Company continues to serve the investors by introducing several customer centric measures on an ongoing basis to further strengthen its processes in sync with the requirements of the Fixed Deposit ("FD") holders. Your Company periodically sends various intimations via SMS, e-mails, post, courier etc., to its investors as well as sends reminder emails to clients whose TDS is likely to be deducted before any pay-out/accrual. Your Company also provides a digital platform for online application/ renewal of deposits, online generation of TDS certificates from customer/ broker portal and seamless investment process for its employees.

Your Company has rolled out several initiatives aimed at offering a superior experience to fixed deposit holders. Some key ones include:

- An integrated web portal has been developed to facilitate online application/ online renewal of Fixed Deposits, Loan against FDs, profile updates etc. which can be accessed at https://www.mahindrafinance.com/investment/fixed-deposit
- Online submission of Forms 15G/15H by all eligible Depositors through the FD Customer portal is made available on the Company's website.
- TDS certificate(s) are made available on the Customer portal and Broker portal, in addition to the same being sent to the concerned Depositors, from time to time.
- In order to offer various payment options to Depositors, more payment gateways have been added across various FD investment portals.
- An advanced version of Customer Relationship Management ("CRM") has been launched to record the queries, requests and complaints for future data analysis in order to enhance customer service. An integrated service portal (E-Sarathi) has been introduced to address the queries of Depositors routed through the Channel Partners on real-time basis during working hours.
- The process of recording of Central Know Your Customer ("CKYC") details of the Depositors has been strengthened by introducing various control measures.
- Separate categorisation of VIP customers to address the queries with a dedicated Relationship Manager is introduced.
- Additional 448 Branches have been enrolled for accepting and servicing FD holders.
- An automated customer service feedback process has been introduced to have better understanding of the customer expectations.
- Communication channels for transactional and non-transactional activities related to fixed Deposits have been strengthened to ensure deposit holder is informed and updated on real time basis.

There has been no default in repayment of deposits or payment of interest during the year.

Your Company being a Non-Banking Financial Company the disclosures required as per Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 read with Sections 73 and 74 of the Companies Act, 2013, are not applicable to the Company.

The information pursuant to Clause 35(1) of Master Direction DNBR.PD.002/03.10.119/2016-17 dated 25th August 2016 issued by the Reserve Bank of India on Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 ("NBFC Regulations"), regarding unpaid/unclaimed public deposits as on 31st March 2024, is furnished below:

i. Total number of accounts of Public Deposits of the Company which have not been claimed by the depositors after the date on which the deposit became due for repayment: 4,217.

ii. Total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid: ₹ 4.36 crore.

Initiatives taken to reduce the unclaimed amounts pertaining to Fixed Deposits:

i) Penny drop testing one month prior to maturity and interest pay out process is being conducted to reduce rejection cases.

ii) Deposit holders are being reached out via SMS/ Calls/ Email/Physical letters, as applicable including sending communication in vernacular language for quick understanding by the customers.

iii) In case of death of depositors, claim settlement process is advised to joint depositors/nominee/ legal heir, as the case may be.

iv) Unclaimed FDs are being validated with the depositor's loan account with the Company, if any.

v) In case the cheque is undelivered, the Company deposits the amount in the bank account of the customer, after necessary confirmations.

Transfer of Unclaimed amounts pertaining to Fixed Deposits to IEPF:

Pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") as amended from time to time, matured deposits remaining unclaimed for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, interest accrued on the deposits which remain unclaimed for a period of seven years from the date of payment are also required to be transferred to the IEPF under Section 125(2)(k).

During the year, the Company has transferred to the IEPF an amount of ₹ 0.16 crore being the unclaimed amount of matured fixed deposits and ₹ 0.05 crore towards unclaimed/ unpaid interest accrued on the deposits. The concerned depositor can claim the deposit and/or interest from the IEPF by following the procedure laid down in the IEPF Rules.

Loans and Advances

During the year under review, the Company has not given any loans and advances in the nature of loans to its subsidiaries or associate or to firms/companies in which Directors are interested.

Accordingly, the disclosure of particulars of loans/ advances, etc., as required to be furnished in the Annual Accounts of the Company pursuant to Regulation 34[3] and 53[f] read with paragraph A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

Particulars of Loans, Guarantees or Investments in Securities

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013 ("the Act") with respect to loans.

Pursuant to the provisions of Section 186(4) of the Act, details with regard to the investments made by the Company, as applicable, are given in Note no. 52 (iv) of the Standalone financial statements, forming part of this Annual Report.

Achievements

Awards/Recognitions received by your Company during the year are enumerated hereunder:

Business

- Awarded the CRIF Data Excellence Award in the Commercial (NBFC) category.

CSR

- Received special commendation for CSR Flagship Program 'Swabhimaan' at The CSR Journal Excellence Awards 2023 under the category of 'Education & Skill Training'.
- Honoured with the Rotary CSR Award for 'Distinguished Service in Community Development' for Company's CSR initiative 'Swabhimaan'.
- Won the award for Best Financial Inclusion Initiative for Company's Financial & Digital Literacy CSR Initiative at the DNA Awards 2023 presented during Banking Frontiers NBFC's Tomorrow Conclave.

Sustainability

- Globally ranked 45th by Futures Cape amongst top 100 Indian companies for Sustainability & CSR under Responsible Business 2020 by Futures Cape.
- Included in Dow Jones Sustainability Index (DJSI) - Only Company in India in Diversified and Financial sector to be included in the DJSI Sustainability Yearbook 2021 and having a score of 50 percentile in previous year.
- Became the first Indian Company in the "Banks, Diverse Financials, and Insurance" sector to have science-based targets validated by the Science based target initiative ("SBTi").

Human Resources

- Recognised as one of 'India's 100 Best Companies to Work For' by Great Place To Work India.
- Recognised as India's Best Workplace for Millennials by Great Place To Work India-2024.
- Awarded IAC 2024 Award for 'Pioneering Work in Sculpting Talent for Tomorrow' in Private Sector at the Industry Academia Conference-2024.
- Recognised as 'Best NBFC in Talent & Workforce' by Business Today.

Marketing

- Won the 'Best Digital Initiatives' award at ASSOCHAM 18th Annual Summit & Awards on Banking & Financial Sector Lending Companies.
- Won the 'Best Product/Service Innovation' award at ASSOCHAM 18th Annual Summit & Awards on Banking & Financial Sector Lending Companies.

Your Company became the first Indian Company in the "Banks, Diverse Financials, and Insurance" sector to have science-based targets validated by the SBTi.

Employee Stock Option Scheme - 2010 and Restricted Stock Unit Plan - 2023

With a view to continue the practice of rewarding performance of the employees, creating ownership culture and to retain, motivate and attract talent in light of growing business and to align interests of shareholders with that of employees, with the approval of Members at Annual General Meeting ("AGM") held on 28th July 2023, your Company has formulated a Restricted Stock Unit Plan namely 'Mahindra and Mahindra Financial Services Limited-Restricted Stock Unit Plan 2023' ("MMFSL RSU Plan-2023"), contemplating grant of 59,44,320 Restricted Stock Units ("RSUs") exercisable into equivalent equity shares, constituting 0.48% of the paid-up share capital of the Company as on 31st March 2024.

During the year under review, your Company granted 2,83,171 Restricted Stock Units (RSU's) to the eligible employees under MMFSL- RSU Plan 2023. No options were granted to the eligible employees under the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme-2010 ("2010 Scheme").

The Company does not have any scheme to fund its employees to purchase the shares of the Company.

The 2010 Scheme and the MMFSL RSU Plan-2023 of the Company is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEBSE Regulations") and there were no amendments to the aforesaid Scheme and Plan during FY2024. A Certificate from M/s. Makarand M. Joshi & Co., Secretarial Auditor of the Company for FY2024, certifying that the Company's above-mentioned Scheme and Plan have been implemented in accordance with the SBEBSE Regulations and the resolution passed by the Members, would be made available for inspection by the Members through electronic mode at the Annual General Meeting ("AGM") scheduled to be held on 23rd July 2024.

The applicable disclosures as stipulated under SBEBSE Regulations for the year ended 31st March 2024, with regards to the 2010 Scheme, MMFSL RSU Plan 2023 and Company's stock option trust is uploaded on the Company's website and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports

Sustainability Initiatives

Guided by our parent Company Mahindra Group's motto ***"Rise for Good"*** your Company has undertaken meaningful initiatives to make sustainability as an integral part of operations and ethos. Sustainability has been a part of organization's philosophy since its establishment. At Mahindra Finance, sustainability is imbibed in its business philosophy and is seen as part of its intrinsic DNA.

Your Company has aligned its performance with the three pillars of the Mahindra Group Sustainability Framework for long-term value creation. The alignment with material topics of the framework allows us to remain consistent with our parent organization's vision and strategy. In line with our sustainability strategy, we have taken a precautionary approach to avoid negative impacts on the environment.

Your Company's approach and accomplishments on Sustainability echoes its mission of transforming people lives and contributing to people, planet and profit.

Your Company and its subsidiaries have been enabling customers to meet their aspirations through a diversified portfolio of financial product offerings. Mahindra Rural Housing Finance Limited helps people build their homes through affordable housing finance solutions. Mahindra Insurance Brokers Limited secures their life and assets with insurance solutions and Mahindra Manulife Investment Management Private Limited offers investment options through its asset management solutions. Your Company lays strong emphasis on customer centricity with a customer base spread across different villages in India, with majority of them belonging to the 'Earn and Pay' segment.

Your Company continued to focus on integrating Sustainability into its business practices across valued stakeholders through key initiatives. Your Company was recognised for its sustainability initiatives with the accolades as stated in Achievements section.

Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, your Company's Business Responsibility and Sustainability Report for the year ended 31st March 2024, forms part of this Annual Report.

The Board of Directors have adopted a policy viz. 'Business Responsibility and Sustainability Reporting Policy' ("BRSR Policy"), which inter-alia, incorporates sustainability elements and aligns the Policy with National Guidelines on Responsible Business Conduct ("NGRBC").

Business Responsibility and Sustainability-Training and Initiatives

Keeping in mind our responsibility throughout our value chain to ensure sustainable practices, we expanded the Business Responsibility and Sustainability Reporting ("BRSR") training for our value chain partners, by emphasizing on the best practices and case studies of its 9 principles based on NGRBC. The participative and collaborative approach towards the stakeholders provides a visibility of Environment Social and Governance ("ESG") practices across the value chain and enables the Company to execute its sustainability strategy.

Your Company's approach and accomplishments on Sustainability echoes its mission of transforming lives of people and contributing to people, planet and profit.

"Making Sustainability Personal" Initiatives

We at Mahindra finance believe in making Sustainability Personal. In view of this, 100% of our employees were provided training on BRSR and Human Rights issues.

Initiatives like "Green Diwali", "I Am Responsible" activities were implemented to promote ESG culture and sustainable consumption practices amongst employees. We believe this will enable sustainable behavioural changes & knowledge development as a core value of the Company.

Other Key Initiatives

This year your Company took significant initiatives on developing robust road map to address Carbon and Water neutrality. Your Company made proactive efforts to reduce CO_2 emissions (carbon footprint) through Project "Mahindra Hariyali" by planting 3,97,900+ saplings throughout the country.

Also keeping in mind the energy security, your Company has installed energy efficient technology like 5-star inverter AC's, LED, and BLDC fans to reduce our energy consumption as well as reducing carbon footprint.

Given the nature of the business, your Company made a significant step towards adopting digital platforms which not only brings in increased efficiency in our operation but also ensures significant reduction in consumption of paper.

As a service sector, the major waste contributor is paper and E waste. Promoting a circular economy strategy for its disposal, your Company launched a zero waste to landfill project thereby ensuring to send paper waste to paper mills for recycling purpose only through authorized vendors and in exchange receiving wheat straw-based copier paper for further consumption. This initiative ensures reduction in our dependability of virgin resources and promotion of circular economy and sustainable consumption in business.

In addition to this, your Company also initiated responsible E waste management by authorized dealers to recycle the E waste. Your Company's inclusive sustainable business model is future ready and well equipped to enable its stakeholder's progress.

Some of the Company's ESG initiatives incorporated that fall under the Social (S) category, specifically focusing on the S1: Labour Practices & Decent Work subcategory:

- Employee Health and Safety: Your Company prioritizes employee wellbeing by implementing safety procedures and advisories, conducting training programs like Mock Fire Drills, Defensive Driving and First Aid, Establishing an Emergency Response Team.
- Diversity and Inclusion: The Women Safety Ambassador program promotes safety awareness specifically for female employees, fostering a more inclusive safety culture. These initiatives demonstrate your Company's commitment in creating a safe and healthy work environment for its employees, aligning with the social aspects of ESG reporting.
- Employee Development: Your Company offers the "Nurturing Leaders" program to enhance

leadership capabilities and build a strong talent pipeline. This program contributes to a skilled and engaged workforce (S1 (GRI CATEGORY 400): Labour Practices & Decent Work).

Your Company understands that it is essential to safeguard its employees from illness, injuries, emergencies, health and safety hazards as well as any other wellbeing issues. Initiatives like Spectrum 2023, podcast series, Live Webcasts etc., are implemented at the executive and strategic levels to highlight our top leadership team's involvement in promoting diversity, inclusion, and unbiased practices. Our brand pillar "Rise for a More Equal World," which focuses on fostering a sense of inclusion and belonging in the Mahindra Financial Services sector, sought to deepen understanding of inclusion, break down unconscious bias, and dismantle stereotypes, resulting in a culture in which everyone feels valued, respected, and empowered to deliver business results.

Various trainings were provided to employees such as

1. **Unconscious Bias Training :** Workshops for senior leadership and mid-level management to identify and address unconscious biases in decision-making.
2. **Spectrum-Inclusion Week :** A week-long celebration of inclusion with learning activities, employee contests, and social media engagement.
3. **Perspective Building Sessions :** Senior leaders share their personal journeys and approaches to D&I, emphasizing its importance to name a few.

Women play an important role in our success story and are encouraged to take on leadership positions. Recognizing the particular obstacles and untapped potential of women in leadership roles, your Company has created ***"She is on the Rise,"*** a uniquely customized program meant to empower our female managers and push their success.

For the wellbeing of employee's, platforms such as the Alyve application, and the Employee Engagement Platform have been launched. The Alyve application has facilitated health as well as Eye Check-ups for 3000+ employees PAN India along with hosting mental wellness workshops.

Through the employee engagement platform, peer to peer appreciation and interaction were fostered through hobby club activities like book reading, photography etc.

Stakeholder engagement: Including employees and management in the training process fosters a sense of ownership and improves effectiveness. Your Company engages with its key stakeholders at regular intervals through implementation partners' meet, vendor meets, vehicle dealers meet, customer meets etc.

Your Company lays strong emphasis on customer centricity with a customer base spread across different villages in India, with majority of them belonging to the 'Earn and Pay' segment.

Equal Opportunity & Diversity: The Company's equal opportunity for persons with disabilities demonstrates a focus on fair treatment in the workplace (S1.1 Discrimination).

Women Employee Resource Group

- **Mahindra World of Women (MWOW)**: Events and workshops for women employees to network, share experiences, and develop leadership skills are conducted.
- **She is on the Rise:** A program designed to empower women managers and address the challenges they face in leadership roles.
- **Policies for Women Employees:** These address work-life balance challenges, including menstrual wellness leave, childcare support, maternity transition support and IVF reimbursement.
- **Prarambh Program:** To empower women in Financial Services, your Company's **Prarambh** program is a strategic partnership with Manipal Academy of BFSI to address the gender gap in the financial services sector. This initiative provides a specialized training program exclusively for women candidates, equipping them with the skills necessary for successful careers at your Company. The Program empowers women and creates a more diverse talent pool, bringing valuable perspectives and skillsets like empathy and communication to the financial sector.

Governance (G) Category:

Corporate Governance:

Anti-Corruption Policy: The existence of an anti-bribery and anti-corruption policy demonstrates a commitment to ethical business practices (G4.5 Corruption).

Through the inclusive business model, your Company endeavours to cater to the bottom of the pyramid in the rural and semi-urban areas, enabling them to earn their livelihood through varied financial products and services. Through a wide network of branches, we are promoting local employment and building strong lasting relationships with our stakeholders.

Your Company has always been conscious of its role as a responsible corporate citizen and is building an inclusive organisation by empowering all the stakeholders and facilitating their contribution towards growth that is both holistic and long term. Through its wide network of branches with locally recruited employees, strong and lasting relationships with its stakeholders, large customer base, vast experience and market knowledge, your Company is providing financial resources to underserviced regions of the country.

Integrated Reporting

Your Company is pleased to present its holistic performance for FY2024, in the Integrated Report of the Company. This report includes details such as the organisation's strategy, governance framework, performance and prospects of value creation based on the six capitals-Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural capital.

Corporate Social Responsibility (CSR)

With a vision to transform rural and semi-urban India into a self-reliant, flourishing landscape, your Company started its journey in 1991 and has grown into a leading NBFC with an employee base of around 26,662 employees all over India. By working with around 28 implementing partners in the areas of Education & Livelihood, Healthcare and Environment, your Company strives to become an asset in the communities where it operates. Your Company's Corporate Social Responsibility (CSR) initiatives are aligned with the Company's purpose to drive positive change in the lives of our communities and aligned with national priorities.

1. CSR Committee

Your Company has duly constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013 to assist the Board and the Company in fulfilling the corporate social responsibility objectives of the Company. The Committee presently comprises of the following Directors:

Name	Category
Mr. Dhananjay Mungale (Chairperson)	Independent Director
Ms. Rama Bijapurkar	Independent Director
Mr. Raul Rebello	Managing Director & CEO

*Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024. Mr. Raul Rebello was inducted as the member of the Committee with effect from 30th April 2024.

During the year under review, 3 (three) CSR Committee Meetings were held, details of which are provided in the Corporate Governance Report. The CSR Committee inter-alia, reviews and monitors the CSR as well as BRSR activities. The terms of reference of the CSR Committee were enhanced to inter-alia include formulation of BRSR Policies as against Business Responsibility Policies, undertake periodic assessment of BRSR activities.

With a vision to transform rural and semi-urban India into a self-reliant, flourishing landscape, your Company started its journey in 1991 and has grown into a leading NBFC with an employee base of around 26,662 employees all over India.

2. CSR Policy

The CSR Policy approved by the Board encompasses the approach and guidance given by the Board taking into account the recommendations of the CSR Committee, including principles for management of the CSR Project(s)/Program(s) and formulation of the Annual Action Plan.

During the year under review, the CSR Policy of the Company was amended to inter-alia, align it with CSR Rules and broad base CSR mission statement.

The CSR Policy has been hosted on the website of the Company at: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

3. CSR Initiatives

i. 'Swabhimaan'- CSR Flagship Program

Your Company had launched CSR flagship program for Drivers Community in FY2021 (Project "Swabhimaan" or "Self- Respect"), which is aimed at upliftment of drivers and their family members.

In FY2024, to further solidify its commitment towards the well-being of the driver communities, your Company successfully implemented its flagship program- 'Swabhimaan'. This multi-year program's focus has been to address the professional, financial, and familial challenges faced by the drivers and their families and further contribute to their overall well-being. In FY2024, we reached out to over 19,100+ beneficiaries across India. Through the Swabhimaan program, your Company provided 4-wheeler vehicle driving training to 960+ youth, E/Auto Rickshaw Training to 300+ women from underprivilege families, road safety training to 15,590+ existing drivers and awarded scholarships to 2,270+ children of drivers. Through above interventions, your Company impacted lives of 2,000+ women beneficiaries.

ii. Financial & Digital Literacy Awareness Program

Your Company launched two pilot projects on Financial & Digital Literacy Awareness Program. The objective of the first project for MSME was to provide financial & digital Literacy, business skills training for Nano and Micro-enterprises like people working at Kirana Store, Job Work, Retail Shops, Restaurants. The objective of another project for GiG workers was imparting financial planning skills to individuals such as farmers, drivers, self-employed from low-income community to achieve better savings, awareness of financial instruments, safeguard from digital frauds with basic details about vehicle maintenance.

Through above projects, your Company created awareness amongst 26,200+ individuals from semi urban & urban areas. During the training, we encouraged 4,900+ individual to download Digi Locker app in their respective cell phone which helps them to build backup and instantly access important documents like Aadhar, PAN, driving licenses, vehicle registration certificates, academic marksheets etc.

iii. Nanhi Kali

Reaffirming its commitment to the cause of education, your Company continued its support to the Project Nanhi Kali which has benefitted over 5,880+ underprivileged girl children from socially and economically marginalised families living in urban, rural, and tribal parts of India.

With the aim of helping girls complete schooling, Project Nanhi Kali provides girls (from Class 1-10) with comprehensive support including two hours of daily after-school remedial classes at Nanhi Kali Academic Support Centres. To further enhance the quality of education imparted to the girls, Project Nanhi Kali has partnered with a leading EdTech organisation, Educational Initiatives. The girls also receive an annual school supplies kit comprising a school bag, stationery and feminine hygiene material, enabling them to attend school with dignity.

Further, to accelerate bridging the digital gender gap in India, and to promote gender equality and empowerment of girls through education and training programmes, Nanhi Kali's Digital Equalizer for Girls Training Programme was introduced for underprivileged girls enrolled in Classes 9-12. In FY2024, your Company trained 14,543 girls as part of this innovative initiative.

iv. Mahindra Pride Classroom (MPC)

Your Company continued Mahindra Pride Classroom to reach out to marginalised and socially excluded women to create job opportunities in various sectors and enable women to become financially independent and participate actively in the workforce.

> Through the Swabhimaan program, your Company provided 4-wheeler vehicle driving training to 960+ youth, E/Auto Rickshaw Training to 300+ women from underprivilege families, road safety training to 15,590+ existing drivers and awarded scholarships to 2,270+ children of drivers.

Under this program, we conducted minimum 40 hours training for 39,210+ final year female students in classrooms across government/ government aided colleges, polytechnics, industrial training institutions, employer premises etc. to enhance their employability prospects. The modular MPC training program focusses on life, language and aptitude skills. To facilitate students who have been trained in the MPC are placed with organizations working in their core trade/ domain an innovative, tech-enabled job drive, known as 'Job Utsav' is conducted to bring together the best employers and a great talent pool trained under the MPC program.

v. Mahindra Pride Skill centers (MPSC)

You Company continued its support to MPSC which are specifically designed to economically empower women through training in domain and employability skills. The major focus are / ITES, retail, hospitality, BFSI and other sectors. By addressing the unique requirements of the job market and emphasising the development of both technical and soft skills, the model aims to equip women with the knowledge, skills and confidence needed to succeed in their careers. As part of this initiative, 1,000 women were trained under IT / ITES, retail, hospitality, Tally, IT&GST and 80% of the trained women were supported in securing a gainful employment.

vi. Project Hariyali

The Project Hariyali is a continuation of the Hariyali programme started in 2010 in Araku. This program focuses on natural resource management and global regenerative organic farming protocols as a means to increasing a community's income and improving its agricultural eco-system for an overall well-being of the community. In FY2024, your Company planted 3,45,900+ saplings of coffee, fruit, legume and forest species in the Araku region jointly with local communities.

vii. Water Conservation Project

As part of the Environmental Sustainability, your Company constructed 4 Rainwater Harvesting Structures in the ZP Schools / Adivasi Padas of Shahapur and 7 Farm Ponds on the farmer's lands in village Kheware, Murbad, Thane, Maharashtra along with protective fencing to the ponds, solar panels in farm pond and solar pumps. This project is expected to conserve 4,80,00,000 liters of rainwater for irrigation which will ensure accessibility of water round the year for household and farming purpose and enable farmers to take 2/3 crops. This project is expected to support 2,450 beneficiaries from the rural areas of Maharashtra.

viii. Project Sehat

In the area of healthcare, your Company organised nationwide blood donation drives in which 3,900+ Blood Units were collected, Pan India. Your Company also conducted 8 health camps benefitting 1,630 individuals**.**

ix. Project Hunnar: Skill development for Persons with Disabilities

Your Company continued its support to Persons with Disabilities by training 250+ beneficiaries under 'Hunnar' program in various skills in Banking and Financial Services and Insurance ("BFSI"), hospitality and Information Technology Enabled Services ("ITES") sectors to enhance their employability.

Employees Volunteering

Your Company has always encouraged the employees to participate in various CSR initiatives to drive positive changes amongst the community. During the reporting period, 22,500+ employees (85%) contributed 1,22,700+ person hours in various virtual and CSR Calendar initiatives undertaken by the Company like blood donation, tree plantation, Swachh Bharat, visit to municipal school, visit to Orphanages, Old age Homes & centres for Differently Abled to reaffirm its pledge to the society. Through employees volunteering, planted ~52,000 saplings to increase green cover near our branches.

Apart from the key thrust areas, your Company contributed funds for other causes such as preservation and promotion of the fine arts and culture, welfare of the armed forces and supporting underprivileged community.

In FY2024, your Company conducted "CSR Implementation Partner's Meet" on 7th Feb 2024 with the participation of 12 implementation partners. Such stakeholder engagement presents the opportunity to foster collaborations, interact with the senior management, networking and sharing of best practices amongst varied implementation partners. During the meet, your Company honoured three of its partners (NGO) as "Best CSR implementation Partners 2023" and rest with Token of appreciation. It also organized capacity building workshop on "Data driven impact measurement" for its implementation partners.

4. CSR Spend

As per the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the mandatory CSR spend of the Company for FY2024 was ₹ 29.96 crore, against which your Company has spent ₹ 25.27 crore during the year and an amount of ₹ 4.71 crore has been transferred to MMFSL Unspent CSR Account 2024, (the Company has transferred an unspent amount of ₹ 4.71 crore vis-a-vis ₹ 4.69 crore) which shall be spent within prescribed timelines towards ongoing program on Financial & Digital Literacy Awareness.

Further, in terms of the CSR Rules, Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2024.

5. Annual Report on CSR Activities

The Annual Report on the CSR activities undertaken by your Company during the year under review, as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is set out in **"Annexure II"** of this Report.

6. Impact Assessment of CSR Projects

In compliance with the rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, executive summary and web links of impact assessment reports with respect to Company's CSR projects which meet the prescribed criteria, will be provided once the same are completed. Your Company has engaged independent agencies to carry out the impact assessment for the aforesaid projects.

Cyber Security

To secure the Company's digital transformation efforts, your Company has ensured that it has complete visibility of all digital assets—on-premises, in the cloud, and across IoT devices and remote networks. Processes have been defined and implemented to ensure as the advances in the journey of digital transformation our technology infrastructure also transforms to identify and mitigate the emerging risks.

Your Company has also embarked on the journey to align itself with the data privacy related legal and regulatory guidelines covering collection, storage and usage of sensitive data. The Company has implemented threat monitors such as Web Application Firewall (WAF), Data Loss Prevention, Web Content Filtering, Endpoint Detection & Response (EDR), Threat Intel Services etc. followed by protection of data through encryption, masking (transit and rest) etc. which helps in detecting/ blocking the intrusions and attempts of data breach.

> The Company also imparts periodical cyber and data privacy related trainings to staff including to Board Members which helps them to recognize common tricks that malicious actors use to infiltrate systems thus, securing the human link as well.

During the year under review a cyber incident had occurred, details of which are given in note no. 43 to the Standalone financial statements forming part of this Annual report. The Company was able to build back the applications from the immutable backups. The core systems remained unimpacted and peripheral systems were restored soon after.

Your Company has implemented a robust risk management and governance framework supported by policies, processes, threat intel services, tools, technologies, continuous & periodic cyber assessments to identify the emerging and existing risks that our digital assets are exposed to.

Your Company will continue its focus on security monitoring and incident response through its security operations centre.

Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form No. MGT-7, is available on the Company's website and can be accessed at the web-link https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports

Board & Its Committees

Board

Your Company recognises and embraces the importance of a diverse Board in its success. The confluence of Directors on the Board with different knowledge and skills, perspective, regional and industry experience, cultural and geographical background ensures that your Company retains its competitive advantage.

As on 31st March 2024, the Board of your Company consisted of 11 Directors comprising of a Non-Executive Chairman, 2 Executive Directors, 2 Non-Executive Non-Independent Directors and 6 Independent Directors, of whom 2 are Women Directors.

Committees constituted by the Board of Directors

The Board Committees are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The details of the Board Committees along with their composition, powers, terms of reference, etc. are given in the Report on Corporate Governance, which forms part of this Annual Report.

Audit Committee

As on 31st March 2024, the Audit Committee comprised of 5 Independent Directors and 1 Non-Executive Non-Independent Director:

Name	Category
Mr. C. B. Bhave	Chairman of the Committee (Independent Director)
Mr. Dhananjay Mungale	Independent Director
Ms. Rama Bijapurkar	Independent Director
Mr. Milind Sarwate	Independent Director
Mr. Diwakar Gupta	Independent Director
Mr. Amarjyoti Barua	Non-Executive Non- Independent Director, appointed w.e.f. 27th October 2023

Changes in Audit Committee Members:

- Mr. Amit Kumar Sinha ceased to be a Member of the Committee with effect from close of business hours on 28th July 2023.

The composition of Audit Committee is over and above the minimum requirement prescribed under the Act, SEBI Listing Regulations, and the RBI Regulations for NBFCs (the 'NBFC Regulations') of having a minimum of two-thirds of independent directors, including the Chairman. All members of the Committee are non-executive directors possessing financial literacy, and expertise in accounting or financial management related matters.

During the year under review, 7 Audit Committee Meetings were held. Further, the terms of reference of the Audit Committee were enhanced during the year under review, to include oversight of Information Security Audit of the Company in terms of RBI Master Direction dated 7th November 2023 on Information Technology Governance, Risk, Controls and Assurance Practices.

All the recommendations of the Audit Committee were approved and accepted by the Board during the year under review.

Meetings and Postal Ballot

The Board of Directors met 5 times during the year under review i.e., on 28th April 2023, 28th July 2023, 27th October 2023, 14th December 2023 and 30th January 2024, as against the statutory requirement of at least four meetings. The requisite quorum was present at all the Board Meetings. The maximum time gap between any two Meetings was not more than one hundred and twenty days. These Meetings were well attended. The 33rd AGM of the Company was held on 28th July 2023 through Video Conference.

During the year under review, no Extraordinary General Meeting ("EGM") of the Members was held.

During the year under review, members by way of special resolution passed through postal ballot on 19th January 2024, approved alteration to the Memorandum of Association ("MOA") of the Company by inserting sub-clause 1f. under "Main objects of the Company to authorise the Company to solicit, procure insurance business inter-alia as a Corporate Agent and undertake all incidental activities and amendment to clause III. (v) of the MOA to exclude the restriction on the Company to undertake any business falling under the purview of Insurance Act, 1938. The voting results were announced on 20th January 2024 and submitted to the stock exchanges where securities of the Company were listed.

Detailed information on the Meetings of the Board, its Committees, Postal Ballot and the AGM is included in the Report on Corporate Governance, which forms part of this Annual Report.

A calendar of all the meetings is prepared and circulated well in advance to the Directors.

Meetings of Independent Directors

The Independent Directors met twice during the year under review, on 24th August 2023 and 27th March 2024. The Meetings were conducted without presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors, Chief Financial Officer or any other Management Personnel to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management & the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

Directors and Key Managerial Personnel

Appointment/Re-appointment of Directors during FY2024 and upto the date of this report

- **Appointment of Mr. Raul Rebello as the Executive Director**

  Pursuant to the recommendation of Nomination and Remuneration Committee ("NRC") and the Board of Directors, the Members of the Company at the Annual General Meeting held on 28th July 2023, appointed Mr. Raul Rebello (DIN: 10052487), as the Whole-time Director and KMP designated as Executive Director and MD & CEO-designate with effect from 1st May 2023 to 29th April 2024 (both days inclusive) and as the Managing Director of your Company designated as Managing Director & CEO with effect from 30th April 2024 up to 30th April 2028 (both days inclusive), liable to retire by rotation.

  Mr. Raul Rebello assumed the position of "Managing Director & CEO" of the Company w.e.f., 30th April 2024, after superannuation of Mr. Ramesh Iyer, Vice-Chairman and Managing Director of the Company effective close of business hours of 29th April 2024.

- **Appointment of Mr. Ashwani Ghai as a Non-Executive, Non-Independent Director of the Company**

  Pursuant to the recommendation of NRC, the Board of Directors of the Company appointed Mr. Ashwani Ghai (DIN: 09733798), as an Additional Director of your Company, with effect from 23rd June 2023. The Members of the Company have at the Annual General Meeting held on 28th July 2023, approved the appointment of Mr. Ashwani Ghai as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation.

- **Appointment of Mr. Amarjyoti Barua as a Non-Executive, Non-Independent Director of the Company**

  Pursuant to the recommendation of NRC and the Board of Directors of the Company, the Members of the Company have at the Annual General Meeting held on 28th July 2023, approved the appointment of Mr. Amarjyoti Barua (DIN: 09202472) as a Non-Executive Non-Independent Director of your Company with effect from 28th July 2023, liable to retire by rotation.

- **Re-appointment of Mr. Milind Sarwate as an Independent Director of the Company**

  Based on the recommendation of NRC and the Board of Directors, the Members of the Company have by means of a Special Resolution passed at the Annual General Meeting held on 28th July 2023, approved re-appointment of Mr. Milind Sarwate (DIN: 00109854), as an Independent Director of the Company for a second term of five consecutive years each, commencing from 1st April 2024 to 31st March 2029 (both days inclusive) not liable to retire by rotation.

- **Appointment of Mr. Vijay Kumar Sharma as an Additional Director (Independent and Non-Executive)**

  Basis recommendation of the NRC, the Board of Directors of the Company have subject to the approval of the members of the Company, approved the appointment of Mr. Vijay Kumar Sharma (DIN: 02449088) as an Additional Director (Independent and Non-Executive) for a 1st term of 5 consecutive years with effect from 15th May 2024 to 14th May 2029, not liable to retire by rotation. In the opinion of the Board, Mr. Vijay Kumar Sharma holds high standards of integrity, expertise and experience (including the proficiency). He is exempted from the requirement to undertake the online proficiency self-assessment test.

  The necessary resolution seeking approval of the members of the Company for appointment of Mr. Vijay Kumar Sharma as an Independent Director has been incorporated in the Notice of 34th Annual General Meeting of the Company.

Cessation of Directors

- Mr. Siddhartha Mohanty (DIN: 08058830) Non-Executive Non-Independent Director, representing Life Insurance Corporation of India ("LIC") on the Board of the Company ceased to be the Director of your Company effective 12th May 2023 as he assumed charge as Chairperson of LIC.
- Mr. Amit Kumar Sinha (DIN: 09127387), Non-Executive Non-Independent Director of the Company was liable to retire by rotation at the 33rd AGM of the Company held on 28th July 2023 and was eligible for re-appointment. However, Mr. Sinha did not seek re-appointment due to his transition to a new role in Mahindra Group and consequently ceased to be Director of your Company w.e.f. 28th July 2023.

  The Board records appreciation for services rendered by Mr. Siddhartha Mohanty and Mr. Amit Kumar Sinha.
- On attaining superannuation, Mr. Ramesh Iyer ceased to be the Vice-Chairman & Managing Director of your Company effective close of business hours of 29th April 2024.

The Board of Directors places on record its deepest appreciation for the exemplary contribution, strategic foresight, innovative thinking, and steadfast commitment to excellence of Mr. Ramesh Iyer which has propelled Mahindra & Mahindra Financial Services Limited to new heights, earning the organization recognition and respect within the industry. The Board is confident that Mr. Raul Rebello, the Managing Director & CEO will build a stronger edifice on the strength of this solid foundation laid by Mr. Ramesh Iyer during his long tenure as Managing Director of your Company.

During the year under review, no Independent Director resigned from the Board.

Retirement by Rotation

In terms of provisions of Section 152 of the Companies Act, 2013, Dr. Anish Shah, Non- Executive Chairman is liable to retire by rotation and, being eligible, has offered himself for re-appointment at the 34th Annual General Meeting of the Company scheduled to be held on 23rd July 2024.

Re-appointment of Independent Directors

No Independent Director of your Company is due for re-appointment in FY2025.

Fit and Proper and Non-Disqualification declaration by Directors

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed under Chapter XI of RBI Master Direction No. RBI/DoR/2023-24/106 DoR. FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164 (1) and (2) of the Companies Act, 2013.

Declaration by Independent Directors

All the Independent Directors of your Company have given their declarations and confirmation that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors hold highest standards of integrity and possess the relevant proficiency, expertise and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management of the Company.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ('IICA') and the said registration is renewed and active.

The Independent Directors of the Company are either exempted from the requirement to undertake the online proficiency self-assessment test conducted by IICA or have cleared the online proficiency self-assessment test as applicable.

Key Managerial Personnel

The following persons were designated as the Key Managerial Personnel ("KMP") of your Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on 31st March 2024:

1. Mr. Ramesh Iyer, Vice-Chairman & Managing Director
2. Mr. Raul Rebello, Executive Director and MD & CEO-designate
3. Mr. Vivek Karve, Chief Financial Officer of the Company
4. Ms. Brijbala Batwal, Company Secretary

Changes in Key Managerial Personnel

- On attaining superannuation, Mr. Ramesh Iyer has ceased to be the Vice Chairman & Managing Director and KMP of the Company effective close of business hours of 29th April 2024.
- Mr. Raul Rebello has assumed the office of Managing Director & CEO of the Company effective 30th April 2024.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ("the Act") your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

i. In the preparation of the annual accounts for financial year ended 31st March 2024, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2024 and of the profit of the Company for the year.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts for financial year ended 31st March 2024 on a going concern basis.

v. They have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March 2024.

vi. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March 2024.

Performance Evaluation of the Board

The Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") stipulate the evaluation of the performance of the Board, its Committees, individual Directors and the Chairperson.

Your Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

An annual performance evaluation exercise was carried out compliance with the applicable provisions of the Act, Listing Regulations, the Company's Code of Independent Directors and the criteria and methodology of performance evaluation approved by the NRC as under:

Evaluating body	Evaluatee	Broad criteria and parameters of evaluation	Process of evaluation
The Board, the NRC and the Independent Directors	The Board as a whole	Review of fulfilment of Board's responsibilities including strategic direction, financial reporting, risk management framework, ESG, grievance redressal, succession planning, knowledge of industry trends, diversity of Board etc. and feedback to improve Board's effectiveness.	Internal assessment through a structured and separate rating based questionnaire for each of the evaluations. The evaluation is carried out on a secured online portal whereby the evaluators are able to submit their ratings and qualitative feedback, details of which are accessible only to the NRC Chairperson. The NRC also reviews the implementation and compliance of the evaluation exercise done annually. The results and outcome are evaluated, deliberated upon and noted by the Independent Directors, the NRC and the Board at their respective meetings.
The Board	The Committees of the Board (separately for each Committee)	Structure, composition, attendance and participation, meetings of Committees, effectiveness of the functions handled, independence of the Committee from the Board, contribution to decisions of the Board etc.	
The Board, the NRC, and the Independent Directors	Independent Directors including those seeking re-appointment, Non-Independent Directors, and the MD (excluding the Director being evaluated)	Qualifications, experience, skills, independence criteria, integrity of the Directors, contribution and attendance at meetings, ability to function as a team and devote time, fulfilment of functions, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry, fairness and transparency demonstrated, adequacy of resource staffing.	
The Board, the NRC and the Independent Directors	Chairperson	Skills, expertise, effectiveness of leadership, effective engagement with other Board members during and outside meetings, allocation of time to other Board members at the meetings and ability to steer the meetings, commitment, impartiality, ability to keep shareholders' interests in mind, effective engagement with shareholders during general meetings etc.	

The questionnaires for performance evaluation are comprehensive and in alignment with the guidance note on Board evaluation issued by the SEBI, vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017 and are in line with the criteria and methodology of performance evaluation approved by the NRC.

Outcome and results of the performance evaluation

All the Directors of your Company as on 31st March 2024 had participated in the evaluation process. The Directors expressed their satisfaction with the Annual performance evaluation process of Board & Committees. During the year under review, NRC ascertained and re-affirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors. The results of the Evaluation for the year under review were shared with the Board, Chairperson of respective Committees and individual Directors.

It was noted that the Meetings of the Board and Committees are well managed in terms of comprehensive updates sent well in advance, constructive participation and deliberations at the meeting led by the Chair, enabling Board and Committees to fulfil their statutory / review role and focus on Governance and Internal Controls. It was also noted that the Company during the year under review facilitated familiarisation on cyber security, Prohibition of Insider Trading Regulations, BRSR framework and provided regular updates to Board on all key matters.

The results of Evaluation showed high level of commitment and engagement of Board, its various Committees and senior leadership. Based on the outcome of the evaluation for the year under review, the Board shall enhance its focus on providing strategic direction, digital initiatives, oversee regulatory matters and maintaining high standards of governance, to enhance value for all stakeholders while deepening its focus on ESG and risk management.

Based on the results of the evaluation, the Board has agreed on an action plan to further improve the effectiveness and functioning of the Board. The suggestions from previous evaluations were implemented by the Company during FY2024.

Familiarisation Programme for Directors

Your Company has adopted a structured programme for orientation of all Directors including the Independent Directors so as to familiarise them with the Company-its operations, business, industry, environment in which it functions, Indian and global macro-economic front and the regulatory regime applicable to it. The Management updates the Board Members on a continuing basis of any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its operations and the industry in which it operates.

The Independent Directors of your Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. The terms of reference of all the Committees with updations, if any, is shared with all the Board Members on quarterly basis.

Managing Director and Senior Management provide an overview of the operations and familiarise the Directors on matters related to the Company's values and commitments. They are also introduced to the organisation structure, constitution of various committees, board procedures, risk management strategies etc.

Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails, etc. Your Company has a secured Board portal which inter-alia provides a one stop and seamless solution for access to Board/Committee materials to all the Directors. The Board portal also contains Annual Report, Code of Conduct for Directors, terms of appointment, committee charters etc. for ease of access. This enables greater transparency to the Board processes.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), your Company has during the year conducted familiarization programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors.

Details of familiarization programs imparted to the Independent Directors during the financial year under review in accordance with the requirements of the Listing Regulations are available on the Company's website and can be accessed at the weblink: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program and is also provided in the Corporate Governance Report forming part of this Annual Report.

Policies on Appointment of Directors and Senior Management and Remuneration of Directors, Key Managerial Personnel and Employees

i) **Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management**

In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 ("the Act") read with Section 178 of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), your Company has adopted a Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management, which, inter-alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management team, succession planning for Directors and Senior Management, and the Talent Management framework of the Company. During the year under review, there were no changes in the said policy.

The said policy is available on the website of the Company and can be accessed at https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

ii) **Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel, Senior Management and other Employees of the Company**

Your Company has also adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel, Senior Management and other Employees of the Company in accordance with the provisions of Sub-section (4) of Section 178 of the Act, Scale Based Regulations notified by the Reserve Bank of India ("RBI") and Listing Regulations.

During the year under review the Policy on Remuneration of Directors of the Company was amended to, inter-alia, align with existing legal provisions and introduce certain standard clauses.

The said Policy is uploaded on the website of the Company and can be accessed at: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

Adequacy of Internal Financial Controls with Reference to the Financial Statements

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations.

Your Company uses various industry standard systems to enable, empower and engender businesses and also to maintain its Books of Accounts. The transactional controls built into these systems ensure appropriate segregation of duties, the appropriate level of approval mechanisms and maintenance of supporting records. The systems, Standard Operating Procedures and controls are reviewed by the Management.

Your Company's internal financial controls are deployed through Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), that addresses material risks in your Company's operations and financial reporting objectives. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("ICFR") issued by The Institute of Chartered Accountants of India. The risk control matrices are reviewed on a quarterly basis and control measures are tested and documented on a quarterly basis. The Company has IT systems in place making the ICFR process completely digital and strengthening the review and monitoring mechanism. Based on the assessments carried out by the Management during the year, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed.

Your Company recognises that internal financial controls cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

In compliance with RBI circular dated 3rd February 2021, the Audit Committee has approved a Risk Based Internal Audit ("RBIA") framework, along with appropriate processes and plans for internal audit of FY2024.

Joint Statutory Auditor's certification on Internal Financial Controls

The Joint Statutory Auditors of your Company viz. M/s Deloitte Haskins & Sells, Chartered Accountants and M/s. Mukund M. Chitale & Co., Chartered Accountants have examined the internal financial controls of the Company and have submitted an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting as at 31st March 2024.

Internal Audit Framework

Your Company has in place an adequate internal audit framework to monitor the efficacy of the internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's processes. The internal audit approach verifies compliance with the operational and system related procedures and controls.

Separate meetings between the Chief Internal Auditor and the Audit Committee

Separate meetings between the Chief Internal Auditor and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. The meetings were held on 28th April 2023, 22nd September 2023, 27th October 2023 and 27th March 2024.

Risk Based Internal Audit ("RBIA") framework

In compliance with RBI circular dated 3rd February 2021, the Audit Committee has approved a Risk Based Internal Audit ("RBIA") framework, along with appropriate processes and plans for internal audit of FY2024 and FY2025. The Risk Based Internal Audit Plan is also being reviewed by the Statutory Auditors and Chief Risk Officer before being approved by the Audit Committee.

The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. Based on the reports of internal audit, function/process owners undertake corrective action in their respective areas. Significant audit observations are tracked and presented to the Audit Committee, together with the status of the management actions and the progress of the implementation of the recommendations on a regular basis.

Risk Management

Risk Management forms an integral part of the Company's business. Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. Your Company has established procedures to periodically place before the Risk Management Committee and the Board of Directors, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

The Risk Management Policy, inter-alia, includes identification of elements of risk, including Cyber Security and related risks as well as those risks which in the opinion of the Board may threaten the existence of the Company.

The Risk Management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. Your Company has a robust organisational structure for managing and reporting on risks. This risk management mechanism works at all the levels, which acts as the strategic defence cover of the Company's risk management and is supported by regular review, control, self-assessments and monitoring of key risk indicators. The Risk Management Committee ("RMC") constituted by the Board manages the integrated risk and reviews periodically the Risk Management Policy and strategy followed by the Company.

In compliance with Scale Based Regulations, the Board of Directors have basis recommendation of RMC adopted ICAAP Policy and Framework with the objective of ensuring availability of adequate capital to support all risks in business as also enable effective risk management system in the Company.

The Chief Risk Officer ("CRO") oversees and strengthens the risk management function of the Company. The CRO is invited to the Board, Audit Committee, Asset Liability Committee and Risk Management Committee Meetings. The CRO along with members of the Senior Management apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root cause of risks and their impact, key risk indicators, risk management measures and the steps being taken to mitigate these risks.

Auditors and Audit Reports

Joint Statutory Auditors and their Reports

M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) ["DHS"] and M/s. Mukund M. Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 106655W) ["MCC"], the Joint Statutory Auditors of the Company have issued unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31st March 2024. The report does not contain any qualification, reservation or adverse remark or disclaimer.

> The Joint Statutory Auditors of the Company have issued unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31st March 2024. The report does not contain any qualification, reservation or adverse remark or disclaimer.

The Joint Statutory Auditors hold valid peer review certificate as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Joint Statutory Auditors of the Company were present at the last Annual General Meeting ("AGM") held on 28th July 2023.

Adoption of Policy for Appointment of Statutory Auditors

In compliance with the Reserve Bank of India Guidelines dated 27th April 2021 ("RBI Guidelines"), your Company has in place a Policy for appointment of Statutory Auditors of the Company. The said Policy was amended by the Board of Directors to specifically cover independence of auditors and annual review of performance of statutory auditors in compliance with the RBI Guidelines.

Appointment of Joint Statutory Auditors

The current Joint Statutory Auditors have completed their tenure of 3 consecutive years with the Company. Consequently, their tenure with the Company will end at the conclusion of the 34th AGM of the Company to be held in July 2024. As per RBI Guidelines, the said audit firms would be in-eligible for re-appointment as Statutory Auditors of the Company for such cooling period as specified in RBI guidelines. Hence, it is necessary to appoint new set of Joint Statutory Auditors of the Company.

Basis the recommendation of the Audit Committee, the Board of Directors, have approved and recommended the appointment of M/s. M M Nissim & Co LLP, Chartered Accountants (ICAI Firm Registration Number: 107122W/W100672) and M/s. M P Chitale & Co., Chartered Accountants (ICAI Firm Registration Number: 101851W) as the Joint Statutory Auditors of your Company for a term of 3 consecutive years to hold office from conclusion of the 34th AGM upto the conclusion of 37th AGM to be held in the year 2027.

The Joint Statutory Auditors, as proposed, have given a confirmation to the effect that they are eligible to be appointed and not disqualified from acting as the Statutory Auditors .

Members are requested to consider and approve the appointment of M/s. M M Nissim & Co LLP, Chartered Accountants and M/s. M P Chitale & Co., Chartered Accountants, as the Joint Statutory Auditors of your Company . The proposal is included in the Notice of 34th AGM of the Company.

Secretarial Auditor and Audit Report

M/s. Makarand M. Joshi & Co., Practicing Company Secretaries were appointed as the Secretarial Auditor of the Company for conducting the Secretarial Audit of your Company for FY2023 and FY2024 in accordance with the provisions of Section 204 of the Act read with the rules framed thereunder.

In accordance with the provisions of Sub-section (1) of Section 204 of the Companies Act, 2013, the Secretarial Audit Report for FY2024 issued by M/s. Makarand M. Joshi & Co., is appended to this Report as **"Annexure III".**

M/s. Makarand M. Joshi & Co., was present at the last AGM of the Company held on 28th July 2023.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

Appointment of Secretarial Auditor

The Board of Directors have decided to rotate the Secretarial Auditors from good governance perspective, and accordingly appointed M/s. KSR & Co Company Secretaries LLP as the Secretarial Auditor of the Company for conducting the Secretarial Audit of the Company for FY2025 and FY2026 in accordance with the provisions of Section 204 of the Act read with the rules framed thereunder.

M/s. KSR & Co Company Secretaries LLP is a Company Secretaries firm which has created a niche in Corporate Law practice with expertise in diverse domains akin to a full-service Law firm. They have served reputed clients across various sectors, having an excellent track record in the field of Corporate Laws, Securities Laws, Foreign Exchange Management Laws, Intellectual Property Laws, Insolvency and Bankruptcy Law, Industrial & Labour Laws and Environmental Laws.

The firm undertakes Board Process Audits, Corporate Governance Audits, Secretarial Audits, Internal Audits on functions and activities, Corporate Actions /Transactions based Due Diligence Audits.

Secretarial Audit of Material Subsidiary

The Secretarial Audit of Mahindra Rural Housing Finance Limited ("MRHFL"), a material, debt listed subsidiary of the Company, for FY2024 was carried out pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report of MRHFL submitted by M/s. KSR & Co Company Secretaries LLP, does not contain any qualification, reservation or adverse remark or disclaimer.

There is no material unlisted indian subsidiary of the Company as on 31st March, 2024 and as such the requirement under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") regarding the Secretarial Audit of material unlisted indian subsidiary is not applicable to the Company for the Financial Year 2023-24.

Annual Secretarial Compliance Report with additional confirmations on compliances

In compliance with Regulation 24A of Listing Regulations, your Company has undertaken an audit for FY2024 for all the applicable compliances as per Listing Regulations, 2015 and circulars/guidelines issued thereunder.

The Annual Secretarial Compliance Report ("ASCR") issued by M/s. Makarand M. Joshi & Co., Company Secretaries, Secretarial Auditor for FY2024 with additional confirmations on compliances by the Company with respect to Insider Trading Regulations, Related party Transactions, updation of Policies, disclosure of material events to Stock Exchanges etc. as per revised ASCR format prescribed by BSE and NSE, has been filed with the Stock Exchanges, and is appended to this Report as **"Annexure IV".**

The Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 are not applicable in respect of the business activities carried out by your Company and hence such accounts and records were not required to be maintained by the Company.

Fraud Reporting

During the year under review, the Joint Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or employees, involving amount of less than 1 crore to the Audit Committee under section 143(12) of the Companies Act, 2013 details of which need to be mentioned in this Report.

As reported in public domain, during the end of 4th quarter of the financial year ended 31st March 2024, an incident of fraud was detected by the management at Company's branch at Aizawl, Mizoram in respect of retail vehicle loans disbursed by the Company. The fraud involved forgery of KYC documents & asset related documents, leading to embezzlement of Company funds. The fraud was perpetrated in the Branch through collusion amongst branch employees, with segregated duties, thus compromising the existing maker-checker controls. A few vehicle dealers and external parties (employees of banks / old employees of the Company) connived with these employees in this fraudulent activity. Based on the results of the assessment carried out by an accounting firm and further validated by the management, 2887 loan accounts were identified by the Management as potentially fraudulent in nature with an aggregate net recoverable balance of ₹ 135.86 crore. The Company has made 100% provision for this amount, which impacted the profits for the quarter and year ended 31st March 2024.

The Company has carried out an exhaustive check on all live loan accounts across its branches and has concluded that there is no evidence of a similar fraud anywhere else in the country. As a proactive step, the Company has identified a few key initiatives to further strengthen controls, including but not limited to accelerating the timeline for centralization of document reviews, implementing digital due diligence tools for customer on-boarding and enhanced screening and sampling of cases by the fraud control unit, which is set up to select sample of disbursements across branches to screen the documents involved possibility for the possibility of them being fraudulent.

Further details on the above and related matters can be referred in Note no. 42 to the Standalone financial statements forming part of this Annual report.

The Company is reinforcing its commitment to trust, integrity and transparency through enhanced measures for compliance, risk management, and governance.

Particulars of Contracts or Arrangements with Related Parties

Your Company has in place a robust process for approval of Related Party Transactions and on Dealing with Related Parties.

All contracts/arrangements/transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

Omnibus approval of Audit Committee is obtained for Related Party Transactions which are of repetitive nature, which are reviewed on quarterly basis by the Audit Committee as per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013.

All Related Party Transactions and subsequent material modifications, if any, were placed before the Audit Committee for review and approval. Necessary details for each of the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Materiality of and Dealing with Related Party Transactions and as required under SEBI Circular dated 22nd November 2021.

The Company has not entered into Material Related Party Transactions as per the provisions of the Companies Act, 2013 and a confirmation to this effect as required under Section 134(3)(h) of the Companies Act 2013 is given in form AOC-2 as **"Annexure V"**, which forms part of this Annual Report.

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the 'Policy on Materiality of and Dealing with Related Party Transactions', as updated is available on the Company's website: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

> As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company's Code(s) of Conduct.

The transactions of the Company with the company belonging to the promoter/promoter group which holds more than 10% shareholding in the Company as required pursuant to para A of schedule V of the Listing Regulations is disclosed separately in the financial statements of the Company. Members of the Company had approved entering into Material Related Party transaction with Mahindra & Mahindra Limited, (Promoter/ Holding Company and a Related party) under Regulation 23 of the Listing Regulations. During the year under review, the aggregate value of the transactions entered with Mahindra & Mahindra Limited did not exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Further details on the transactions with related parties are provided in the accompanying financial statements.

Whistle Blower Policy/Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees, and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company's Code(s) of Conduct or Corporate Governance Policies or any improper activity, through the channels provided below.

The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. The Whistle-blower can make a protected disclosure by using any of the following channels for reporting:

1. **Independent third-party Ethics Helpline Service Portal: https://ethics.mahindra.com**
2. **Toll free No: 000 800 100 4175**
3. **Chairperson of the Audit Committee**

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of the Company at the web link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

During the year, the Company received 10 whistle blower complaints. All the cases were investigated and appropriate actions were taken.

The Audit Committee is apprised of the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

Particulars of Employees and Related Disclosures

Details of employees who were in receipt of remuneration of not less than ₹ 1,02,00,000 during the year ended 31st March 2024 or not less than ₹ 8,50,000 per month during any part of the year, as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available during 21 days before the Annual General Meeting in electronic mode to any Shareholder upon request sent at the Email ID: investorhelpline_mmfsl@mahindra.com. Such details are also available on Company's website and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **"Annexure VI".**

Disclosure in respect of remuneration/commission drawn by the Managing Director / Whole-time Director from Holding or Subsidiary Company

Mr. Ramesh Iyer, former Vice-Chairman & Managing Director and Mr. Raul Rebello, Managing Director & CEO did not receive any remuneration or commission from Holding/Subsidiaries of the Company during FY2024.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

Your Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder.

> The Company conducts an online Induction Training through the learning platform M-Drona (Internal Training App) covering topics including POSH awareness, reconciliation before filing POSH complaint(s).

All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company ensures that no employee is disadvantaged by way of gender discrimination.

The POSH Policy is available on the website of the Company and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

Your Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company conducts an online Induction Training through the learning platform M-Drona (Internal Training App) covering topics including POSH awareness, reconciliation before filing POSH complaint(s) and consequences of filing the false complaint(s).

The following is a summary of Sexual Harassment complaint(s) received and disposed of during the FY2024, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during FY 2024 - 1

b) Number of complaint(s) disposed of during FY2024 - 1

c) Number of cases pending as of 31st March 2024- 0

Awareness and Training on POSH

Continuous awareness in this area has been created vide the POSH campaign reiterating Mahindra's commitment to providing a safe workplace to all its employees. During the year, the Company organised sensitisation and awareness programs vide inductions for new joiners, e-learning modules for all employees, trainees, associates including sending emailers, creating standees and posters to sensitise all employees to conduct themselves in a professional manner. Further, virtual and classroom training sessions were conducted by the Company's Ethics Counsellors. The Company also organized offline leadership conversations on gender sensitisation and employee interactive sessions including conscious inclusions.

d) Number of workshops/awareness programme on the subject carried out during the year under review are as under:

- Awareness program was conducted in which mailers & video on the Prevention of Sexual Harassment at the workplace along with POSH policies was circulated to all employees. POSH training was provided to all new joinees as a part of induction module.
- An online e-learning module for employees on Prevention of Sexual Harassment covering topics on Sexual Harassment, the process of filing complaints, dealing with Sexual

Harassment, etc. is developed for training. 99.79% of the employees have completed this training.

- One Training program on ICC was conducted for all ICC members.
- One Training program on POSH sensitization was conducted for the HR team.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 is attached as **"Annexure VII"** to the Board's Report.

Policies

The details of the Key Policies adopted by your Company and changes made therein, if any, during the year under review are mentioned at **"Annexure VIII"** to the Board's Report.

Compliance with the Provisions of Secretarial Standard - 1 and Secretarial Standard - 2

The Directors have devised proper systems to ensure compliance with the provisions of the Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by The Institute of Company Secretaries of India ("ICSI") and such systems are adequate and operating effectively.

Voluntary Adherence of Secretarial Standards by all Board Committees

Although, SS-1 compliance is required only for Board and its Committees mandatorily required to be constituted under the Companies Act, 2013 ("the Act"), the Company adheres and complies with the good practices enunciated in the said Secretarial Standards for all its mandatory and non-mandatory Board level Committees.

Your Company has complied with applicable SS-1 and SS-2, during the year under review.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future

There were no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status of the Company and its future operations.

Disclosure pertaining to Insolvency & Bankruptcy Code

There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Disclosure on One-Time Settlement

During the year, the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

General Disclosures

The Directors further state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events related to these items during the financial year under review:

- There was no issue of equity shares with differential rights as to dividend, voting or otherwise;
- There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employee Stock Option schemes referred to in this Report;
- There was no raising of funds/issue of shares through Preferential Allotment, Public Issue, Rights Issue or Qualified Institutional Placement;
- There was no buy back of the equity shares during the year under review;
- There were no voting rights which are not directly exercised by the employees in respect of equity shares for the subscription/purchase for which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013 ("the Act");
- There was no suspension of trading of securities of the Company on account of corporate action or otherwise;
- There was no revision made in the Financial Statements or the Board's Report of the Company;
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.

Acknowledgments

The Board conveys its deep gratitude and appreciation to all the employees of the Company for their tremendous efforts as well as their exemplary dedication and contribution to the Company's performance.

The Directors would also like to thank its shareholders, customers, vendors, business partners, bankers, government and all other business associates for their continued support to the Company and the Management.

For and on behalf of the Board

Dr. Anish Shah
Chairman
DIN: 02719429

Place : U.S.A.
Date : 4th May 2024

Annexure I

Dividend Distribution Policy

Preamble

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, ["the Listing Regulations"] makes it mandatory for the top five hundred listed entities based on their market capitalization calculated as on March 31 of every financial year to formulate a Dividend Distribution Policy.

In compliance with the provisions of Regulation 43A of the Listing Regulations the Board of Directors of the Company at its meeting held on 25th October, 2016, has approved and adopted the Dividend Distribution Policy of the Company ["the Policy"].

The Company being a Systematically Important Deposit-Taking Non-Banking Financial Company is governed by the Reserve Bank of India ("RBI"). Annexure-1 to this Policy specifies the provisions listed out by RBI, compliance of which is being/shall be ensured by the Company, in addition to provisions under the Companies Act, 2013 and other applicable regulatory provisions.

The Policy shall come into force for accounting periods beginning from 1st April, 2016.

Objective

The Policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

This Policy aims to ensure that the Company makes rational decision with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long term objective and other purposes. It lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/declaration of dividend to its shareholders.

Definitions

a. "Act" means the Companies Act, 2013 and Rules made thereunder [including any amendments or re-enactments thereof].

b. "Applicable laws" shall mean to include Companies Act, 2013 and Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Rules/guidelines/notifications/circulars issued by the Reserve Bank of India and any other regulation, rules, acts, guidelines as may be applicable [including any amendments or re-enactments thereof], to the distribution of dividend.

c. "Board" or "Board of Directors" shall mean Board of Directors of the Company, as constituted from time to time.

d. "Company" shall mean Mahindra & Mahindra Financial Services Limited.

e. "Dividend" includes any interim dividend; which is in conformity with Section 2(35) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.

f. "Dividend Payout Ratio" is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed.

   In case the net profit for the relevant period includes any exceptional and/or extra-ordinary profits/ income or the financial statements are qualified (including 'emphasis of matter') by the statutory auditor that indicates an overstatement of net profit, the same shall be reduced from net profits while determining the Dividend Payout Ratio.

g. "Financial year" shall mean the period starting from 1st day of April and ending on the 31st day of March every year.

h. "Free reserves" shall mean the free reserves as defined under Section 2(43) of the Act.

i. Capital to Risk Assets Ratio (Capital Adequacy Ratio) shall mean the Percentage of Capital Funds to Risk Weighted Assets/Exposures of the Company.

Dividend Distribution Philosophy

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013. The Board may also declare interim dividends as may be permitted by the Companies Act, 2013.

The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

Information on dividend for the last 10 years is furnished in the Annual Report.

Parameters adopted with regard to various classes of shares

i) Dividend would continue to be declared on per share basis on the Equity Shares of the Company having face value of ₹ 2 each. Presently, the Authorised Share Capital of the Company is divided into Equity Shares of ₹ 2 each and preference shares of ₹ 100 each. At present, the issued and paid-up share capital of the Company comprises of only Equity Shares of ₹ 2 each which rank *pari-passu* with respect to all their rights. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date. In the event of the Company issuing any other class(es) of shares, it shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

ii) The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on Equity Shares.

iii) As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Factors for Recommendation/ Declaration of Dividend

As in the past, subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. **Within these parameters, the Company would endeavour to maintain a total dividend pay-out ratio in the range of 20% to 30% of the annual standalone Profits after Tax (PAT) of the Company.**

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

Internal Factors (Financial Parameters):

i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:

    a. Previous years; and

    b. Internal budgets,

ii. Cash flow position of the Company,

iii. Accumulated reserves,

iv. Capital to Risk Assets Ratio (Capital Adequacy Ratio),

v. Transfer to Statutory Reserves as per the Reserve Bank of India Act, 1934,

vi. Transfer to Debenture Redemption Reserve,

vii Earnings stability,

viii. Future cash requirements for organic growth/ expansion and/or for inorganic growth,

ix. Brand acquisitions,

x. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,

xi. Deployment of funds in short term marketable investments,

xii. Long term investments,

xiii. Capital expenditure(s), and

xiv. The ratio of debt to equity (at net debt and gross debt level).

External Factors:

i. Business cycles,

ii. Economic environment,

iii. Cost of external financing,

iv. Applicable taxes including tax on dividend,

v. Industry outlook for the future years,

vi. Inflation rate, and

vii. Changes in the Government policies, industry specific rulings and regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

Circumstances under which the Shareholders of the Company may or may not expect Dividend

The shareholders of the Company may not expect dividend in the below mentioned circumstances:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirement for business operations or otherwise.

iii. In the event of inadequacy of cash flow available for distribution.

iv. In the event of inadequacy or absence of profits.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analysing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

In such event, the Board will provide rationale in the Annual Report.

Manner of utilisation of retained earnings

The retained earnings of the Company may be used in any of the following ways:

i. Capital expenditure for working capital,

ii. Organic and/or inorganic growth,

iii. Investment in new business(es) and/or additional investment in existing business(es),

iv. Declaration of dividend,

v. Capitalisation of shares,

vi. Buy back of shares,

vii. General corporate purposes, including contingencies,

viii. Correcting the capital structure,

ix. Any other permitted usage as per the Companies Act, 2013.

General

Due regard shall be given to the restrictions/ covenants contained in any agreement entered into with the lenders of the Company or any other financial covenant as may be specified under any other arrangement/agreement, if any, before recommending or distributing dividend to the shareholders.

Review

The Board of Directors shall have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts/Regulations or otherwise.

In case of any amendment(s), clarification(s), circular(s), etc. issued under any Applicable laws/ Regulations, which is not consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Disclosures

The Company shall make appropriate disclosures in compliance with the provisions of the Listing Regulations, in particular the disclosures required to be made in the annual report and on the website of the Company.

The policy will be available on the Company's website and the link to the policy is: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies. The Policy will also be disclosed in the Company's Annual Report.

In case, the Company proposes to declare dividend on the basis of the parameters in addition to those as specified in this Policy and/or proposes to change any of the parameters, the Company shall disclose such changes along with the rationale in the Annual Report and on its website.

Annexure - 1 to the Dividend Distribution Policy

Reserve Bank of India Guidelines on Declaration of Dividends by NBFCs

(dated 24th June, 2021 bearing reference no. RBI/2021-22/59 DOR.ACC.REC.No.23/21.02.067/2021-22)

Factors to be considered for Payment of Dividend

The Board of Directors shall, while considering the proposals for dividend, take into account the following aspects:

(a) Supervisory findings of the Reserve Bank of India on divergence in classification and provisioning for Non-Performing Assets;

(b) Qualifications in the Auditors' Report to the financial statements; and

(c) Long term growth plans of the Company.

The Board shall ensure that the total dividend proposed for the financial year does not exceed the ceilings specified in the RBI Guidelines.

Eligibility Criteria for Payment of Dividend

The Company being a Deposit taking (NBFC-D) and Systemically important (NBFC-NDSI) NBFC shall comply with the minimum prudential requirements with respect to Capital Adequacy, Net Non-Performing Assets ("NPA") and other criteria as applicable to be eligible to declare dividend as applicable as mentioned below:

Sr. No.	Parameters	Requirement
1.	Capital Adequacy	The Company should have met the following regulatory capital requirement for each of the last three financial years including the financial year for which the dividend is proposed: • Maintain a minimum capital ratio consisting of Tier I and Tier II capital not less than 15 percent of aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. • The Tier I capital at any point of time, shall not be less 10 per cent.
2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three financial years, including as at the close of the financial year for which dividend is proposed to be declared.
3.	Other criteria	• The Company shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. • The Company shall be compliant with the prevailing regulations/ guidelines issued by the Reserve Bank. The Reserve Bank of India shall not have placed any explicit restrictions on declaration of dividend.

Dividend Payout Ratio

The ceiling on dividend payout ratio for the Company, if compliant with the Eligibility Criteria to declare dividend, shall be 50%.

If the Company does not meet the Eligibility Criteria prescribed above for each of the last three financial years, it may be eligible to declare dividend, subject to a cap of 10 percent on the dividend payout ratio, provided it complies with the following conditions:

(a) meets the applicable capital adequacy requirement in the financial year for which it proposes to pay dividend; and

(b) has net NPA of less than 4 per cent as at the close of the financial year.

Annexure II

Corporate Social Responsibility

Annual Report on Corporate Social Responsibility ("CSR") Activities for FY2024

1. Brief outline on CSR Policy of the Company

At Mahindra & Mahindra Financial Services Limited ("MMFSL" or "the Company"), we sincerely believe that the actions of the organisation and its community are highly interdependent. Both on its own and as part of the Mahindra Group, through constant and collaborative interactions with our external stakeholders, MMFSL strives to become a catalyst in the communities where it operates.

The Company's CSR mission aims to actively contribute to the socio-economic development of communities, enabling individuals to partake in and derive benefits from the ongoing socio-economic progress. The Company is dedicated to integrating economically, physically, and socially challenged groups into mainstream society through its CSR initiatives.

The objective of our CSR Policy has been to

- Define and lay down the guiding principles for selection, implementation and monitoring of Company's CSR initiatives as well as formulation of the annual action plan;
- Outline our Board's vision and approach for undertaking CSR and creating impact in the communities;
- Encourage an increased commitment and engagement from employees towards CSR.

CSR Thrust Areas

Company has identified CSR thrust areas for undertaking CSR projects/ programs in India which are aligned with national priorities. The Company aims to actively promote diversity and inclusion in all its CSR initiatives. Through these commitments, the Company strives to contribute to social equality and build a more inclusive and vibrant society. The Company strives to undertake the CSR projects in accordance with national priorities and/or regulatory guidelines.

- **Financial Literacy and Inclusion:**

  To address the financial and digital literacy gap in the society, the Company focuses on financial and digital literacy programs/ projects designed to raise awareness and foster inclusion within marginalized communities.

- **Promoting Education:**

  The Company aims at promoting education, including special education, among children, youth, adults, women, elderly and the persons with disabilities ("PWDs").

- **Skill training and livelihood enhancement:**

  The Company's skill training initiatives focus on enhancing the skills and capacities of individuals across various demographics, including children, youth, adults, women, the elderly, and PWDs from economically disadvantaged backgrounds. The goal is to empower them, providing access to opportunities for sustainable livelihoods and fostering overall growth.

- **Promoting healthcare and sanitation:**

  The Company through its CSR projects works on eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

- **Environmental Sustainability:**

  Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. The Company will focus on activities ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, tree plantation, conservation and management of natural resources and maintaining quality of soil, air and water, waste management, renewal energy, energy efficiency measures etc. Additionally, the Company may also undertake projects to manage its emissions and introduce environment friendly practices.

- **Others:**

  From time to time, the Company may identify newer thrust areas, in so far as such activities are as defined in Schedule VII of the Companies Act, 2013 as amended, from time to time.

As per the CSR Policy of the Company, CSR projects are carried out according to the annual action plan recommended by the CSR Committee and approved by the Board. The Company actively monitors ongoing CSR projects to ensure timely achievement of intended outcomes. The Chief Human Resource Officer and CSR team, collects progress reports periodically, conducts field visits, and reviews project progress in line with internal implementation guidelines.

2. Composition of the CSR Committee

CSR Committee composition as on 31st March 2024 and attendance at the CSR meetings during FY2024:

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee		% Attendance
		Held during the year	Attended during the year	
Mr. Dhananjay Mungale	Chairperson, Independent Director	3	3	100%
Ms. Rama Bijapurkar	Member, Independent Director	3	3	
Mr. Ramesh Iyer*	Member - Executive Director	3	3	

There was no change in the composition of the Corporate Social Responsibility Committee during the year under review.

*Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024. Mr. Raul Rebello was inducted as the member of the Committee with effect from 30th April 2024.

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

CSR Policy & Committee: https://www.mahindrafinance.com/wp-content/uploads/2023/07/MMFSL-CSR-Policy-Verison-7.pdf

CSR Projects: https://www.mahindrafinance.com/wp-content/uploads/2024/05/Key-CSR-Projects-FY-2024-25.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

In compliance with the above, the executive summary and web links of impact assessment reports with respect to Company's CSR projects which meet the prescribed criteria, will be provided once the same are completed.

The details of the impact assessment reports completed in FY2023, and thereafter, can be accessed on the Company's website at the link : https://www.mahindrafinance.com/together-we-rise#csr-reports

5. (a) Average net profit of the company as per sub-section (5) of section 135

₹ 1498,15,85,284.71 (Average of FY2023, FY2022, FY2021)

(b) Two percent of average net profit of the company as per sub-section (5) of section 135

₹ 29,96,31,705.69

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Nil

(d) Amount required to be set-off for the financial year, if any

Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]

₹ 29,96,31,705.69

6. (a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects)

₹ 25,09,95,354

(b) Amount spent in Administrative Overheads

₹ 1,72,500

(c) Amount spent on Impact Assessment, if applicable

₹ 15,48,064

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]

₹ 25,27,15,918

Note: In addition to CSR Spend of ₹ 25,27,15,918, the Company has spent ₹ 2,86,733 which pertains, to the interest income earned by the implementation agencies on funds provided to them for FY2024 towards CSR activities . The same is not included in CSR Spend mentioned above.

(e) CSR amount spent or unspent for the Financial Year (FY2024):

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second provision to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
25,27,15,918	Refer note below		N.A.	N.A.	N.A.

Note: The Company will transfer ₹ 4,70,55,000 (vis-à-vis. ₹ 4,69,15,787.69) to the MMFSL Unpent CSR Account FY2024 within the prescribed statutory timelines, i.e., by 30th April 2024.

(f) Excess amount for set-off, if any: Not Applicable

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section(5) of Section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year[(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section(6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section(6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY 1- 2021 - 2022	7,85,94,000*	NIL	195	N.A.	N.A.	NIL	Nil
2.	FY 2- 2022 - 2023	Nil	Nil	Nil	N.A.	N.A.	N.A.	N.A.

*Of unspent amount of ₹ 7,85,94,000 pertaining to FY 2021-22 which was transferred to unspent CSR account in April 2022, the Company spent ₹ 7,85,93,805 during FY 2022-23 and balance of ₹ 195 remaining in the said account was spent during FY 2024 towards the ongoing CSR Project Swabhimaan.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

◯ Yes ✓ No

If Yes, enter the number of Capital assets created/acquired : N.A.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation (dd/mm/yy)	Amount of CSR amount spent (in ₹)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration number, if applicable	Name	Registered address
			N.A.				

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):

The Company had allocated ₹ 6,15,05,000 towards the Company's ongoing project "Financial and Digital Literacy". The Company has spent ₹ 1,44,50,000 towards the said project in FY 2024 and the Company will transfer ₹ 4,70,55,000 (vis-à-vis ₹ 4,69,15,787.69) to the MMFSL - Unspent CSR Account for FY2024 within the prescribed statutory timelines, in compliance with applicable legal provisions, and will be spent within the stipulated time.

Dhananjay Mungale
Chairman, CSR Committee
DIN: 00007563

Ramesh Iyer
Vice-Chairman & Managing Director
DIN: 00220759

Place: Mumbai
Date: 23rd April 2024

Annexure III

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra & Mahindra Financial Services Limited
Gateway Building, Apollo Bunder, Mumbai- 400001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra & Mahindra Financial Services Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering from April 01, 2023 to March 31, 2024 (hereinafter referred as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by the Company for financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings **(Foreign Direct Investment is not applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);**

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations') **(Not Applicable to the Company during the Audit Period)** and

i. The Securities and Exchange Board of India (Depositories and Participants) Regulation 2018.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ('Listing Regulations').

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

Reserve Bank of India Master Direction/Guidelines, as applicable to Non-Banking Financial Companies, including the following:

i. The Reserve Bank of India Act, 1934;

ii. Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;

iii. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Up-to October 18, 2023);

iv. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (effective from October 19, 2023);

v. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

vi. Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs – RBI Guidelines;

vii. Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 and

viii. Scale Based Regulation for Non-Banking Financial Companies (Up-to October 18, 2023).

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period:

1. The Company has received an Order dated April 05, 2023 from Reserve Bank of India, imposing monetary penalty of ₹ 6.77 Crore on the Company for non-compliance of the RBI directions on fair practices relating to disclosure of annualized rate of interest charged on loans to the borrowers at the time of sanction and failure to give notice of change in terms and conditions of loan to its borrowers, when it charged higher rate of interest than what was communicated at the time of sanction, during financial years 2018-19, 2019-20 and 2020-21.

2. The Company has inter-alia passed the following special resolutions in the Annual General Meeting held on July 28, 2023:

   i. For approving 'Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023.

   ii. Increasing borrowing limits which shall not exceed ₹ 1,10,000 crores under Section 180(1)(c) of the Act.

   iii. Increase in limits for creation of security in connection with borrowing under Section 180(1)(c) of Act.

   iv. Alteration to the Memorandum of Association of the Company to amend sub-clause III (B) (21) under 'Matters which are necessary for furtherance of the objects specified in Clause III (A)'.

3. The Company has altered its Memorandum of Association by inserting sub clause in the main object clause to undertake supplemental business activity of soliciting and procuring insurance business as a Corporate Agent by passing special resolution on January 19, 2024 through postal ballot.

4. The Company has issued and allotted Non-Convertible Debentures on Private Placement basis in various tranches the details of which are as follows:

Sr. No.	Particulars	Quantity	Face Value per Debenture (Amount in ₹)
1.	Secured, Rated, Listed, Redeemable Non-convertible Debentures	5,85,000	1,00,000/-
2.	Secured, Rated, Listed, Partly Paid-up Redeemable Non-convertible Debentures	210	1,00,000/-
3.	Unsecured, Rated, Listed, Redeemable Non-convertible Subordinated (Tier II) Debentures	70,000	1,00,000/-

5. Apart from the material events outlined in this report, it is acknowledged that Statutory Auditors have identified additional relevant matters which are mentioned in their report.

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533F000310035

Place: Mumbai
Date: 4th May 2024

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,
The Members,
Mahindra & Mahindra Financial Services Limited
Gateway Building, Apollo Bunder, Mumbai- 400001.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533F000310035

Place: Mumbai
Date: 4th May 2024

ANNEXURE- IV

Secretarial Compliance Report of Mahindra & Mahindra Financial Services Limited

For the Financial Year ended March 31, 2024

To,
Mahindra & Mahindra Financial Services Limited
Gateway Building, Apollo Bunder, Mumbai- 400001

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Mahindra & Mahindra Financial Services Limited** (hereinafter referred as 'the listed entity'), having its registered office at Gateway Building, Apollo Bunder, Mumbai- 400001. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, have examined:

(a) all the documents and records made available to us and explanation provided by the listed entity.

(b) the filings/submissions made by the listed entity to the Stock Exchanges,

(c) website of the listed entity,

(d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the period covering from April 01, 2023 to March 31, 2024 ('Review Period') in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI');

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ('Listing Regulations');

b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable;

d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the listed entity during the Review Period);**

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the listed entity during the Review Period);**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the listed entity during the Review Period);**

j) The Securities and Exchange Board of India (Depositories and Participants) Regulation 2018. and circulars/guidelines or issued thereunder;

and based on above examination, we hereby report that, during the review period:

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder;

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports;

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No such event during the review period
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the Listed entity, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	No such event during the review period
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such event during the review period

*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

III. We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS*
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under Section 118 (10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors/ Committees of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/ circulars/guidelines issued by SEBI.	Yes	-
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) of Listing Regulations are accurate and specific which redirects to the relevant document(s)/section of the website.	Yes	-
4.	**Disqualification of Director:** None of the Directors of the listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5.	**Details related to Subsidiaries of listed entity have been examined w.r.t.:** (a) Identification of material subsidiary companies. (b) Disclosure requirements of material as well as other subsidiaries.	(a) Yes (b) Yes	-
6.	**Preservation of Documents:** As per the confirmations given by the listed entity, and on our test check basis, listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records is as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.	Yes	-
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees on an annual basis as prescribed in SEBI Regulations.	Yes	-
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	(a) Yes (b) NA	(a) - (b) -
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.	Yes	-
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3 (5) & 3 (6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions have been taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	-
12.	**Additional non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/circular/guidance note, etc.	NA	

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
Membership No.: 5533
CP. No. 3662
PR. No. 640/2019
UDIN: F005533F000310081

Place: Mumbai
Date: 4th May 2024

ANNEXURE- V

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arms length basis—**

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2024, which were not at arms length basis.

2. **Details of material contracts or arrangement or transactions at arms length basis—**

   There were no material contracts or arrangements or transactions for the year ended 31st March, 2024 as per the provisions of the Companies Act, 2013. Thus this disclosure is not applicable.

For and on behalf of the Board

Dr. Anish Shah
Chairman
DIN: 02719429

Place: U.S.A.
Date: 4th May 2024

Annexure VI

Details pertaining to the remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during FY2024 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2024 is as under:

Name of Director/ KMP	Designation	Remuneration of Director/ KMP for financial year 2023-24 (₹ in crores) (Excluding perquisite value of ESOPs exercised)	Remuneration of Director/ KMP for financial year 2023-24 (₹ in crores) (Including perquisite value of ESOPs exercised)	% Increase/ (Decrease) in Remuneration in the financial year 2023-24 (Excluding perquisite value of ESOPs exercised)	% Increase/ (Decrease) in Remuneration in the financial year 2023-24 (Including perquisite value of ESOPs exercised)	Ratio of the Remunerationof each Director to median Remuneration (Including perquisite value of ESOPs exercised) of employees for the financial year 2023-24
Dr. Anish Shah*	Non-Executive Chairman	NIL	NIL	N.A.	N.A.	N.A.
Mr. Dhananjay Mungale	Independent Director	0.53	0.53	3.92	3.92	9.87
Mr. C. B. Bhave	Independent Director	0.53	0.53	6.00	6.00	9.87
Ms. Rama Bijapurkar	Independent Director	0.50	0.50	8.70	8.70	9.31
Mr. Milind Sarwate	Independent Director	0.57	0.57	5.56	5.56	10.61
Dr. Rebecca Nugent	Independent Director	0.46	0.46	6.98	6.98	8.56
Mr. Diwakar Gupta#	Independent Director	0.50	0.50	N.A.	N.A.	9.31
Mr. Amit Kumar Sinha##	Non-Executive Director	NIL	NIL	N.A.	N.A.	N.A.
Mr. Siddhartha Mohanty^	Non-Executive and Non- Independent Director	0.04	0.04	N.A.	N.A.	0.74
Mr. Ashwani Ghai^	Non-Executive and Non- Independent Director	0.30	0.30	N.A.	N.A.	5.59
Mr. Amarjyoti Barua*	Non-Executive and Non- Independent Director	NIL	NIL	N.A.	N.A.	N.A.
Mr. Ramesh Iyer**	Vice-Chairman & Managing Director	8.15	8.15	13.83	13.83	151.77
Mr. Raul Rebello$	Executive Director and MD & CEO Designate	3.90	3.90	N.A.	N.A.	72.63
Mr. Vivek Karve	Chief Financial Officer	3.93	3.93	22.05	22.05	N.A.
Ms. Brijbala Batwal	Company Secretary	1.24	1.42	26.5	27.92	N.A.

1. The remuneration of Independent Directors includes sitting fees and commission.
2. The calculations are based on employees who were on the rolls of the Company for the whole of FY2023 and FY2024.
3. *Dr. Anish Shah, Non-Executive Chairman and Mr. Amarjyoti Barua Non-Executive Director, being in the whole-time employment of Mahindra & Mahindra Limited (M&M), the Holding Company, did not receive any remuneration from the Company during the year. Mr. Amarjyoti Barua was appointed on the Board of the Company with effect from 28th July 2023.
4. #Mr. Diwakar Gupta was associated for part of FY2023, hence percentage increase in remuneration is not reported.
5. ##Mr. Amit Kumar Sinha, Non-Executive Director, being in the whole-time employment of Mahindra & Mahindra Limited (M&M), the Holding Company did not receive any remuneration from the Company. Further, he ceased as Director of the Company effective close of 33rd Annual General Meeting held on 28th July 2023.
6. ^Sitting Fees and Commission is paid to Life Insurance Corporation of India. Mr. Ashwani Ghai was appointed as a Non-Executive Director of the Company, w.e.f. 23rd June 2023 and Mr. Siddhartha Mohanty ceased to be a Non-Executive Director w.e.f. 12th May 2023. Since Mr. Ghai and Mr. Mohanty were associated with the Comapny for part of FY2024, percentage increase in remuneration is not reported.

7. **During FY2024, Mr. Ramesh Iyer has not exercised any ESOPs granted to him.

8. $Mr. Raul Rebello was appointed as the Whole-time Director and KMP designated as Executive Director and MD & CEO-designate with effect from 1st May 2023 to 29th April 2024 and as the Managing Director of your Company designated as Managing Director & CEO with effect from 30th April 2024 up to 30th April 2028. Since he was associated as a Director from 1st May 2023 , his aggregate remuneration for 11 months has been considered in the table above and percentage increase in remuneration is not reported.

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

The median remuneration of employees of the Company during FY 2024 was ₹ 5.37 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

II. The percentage increase in the median remuneration of employees in the Financial Year:

In the financial year there was an increase of 8.48% in the median remuneration of employees, taking into consideration employees who were in employment for the whole of FY 2023 and FY 2024.

III. Number of permanent employees on the rolls of the Company:

There were 26,662 permanent employees on the rolls of the Company as on 31st March 2024.

IV. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

a. Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2024 was 9.23% whereas the increase in the managerial remuneration of Key Managerial Personnel ("KMP") in FY 2024 was 19.33%.

b. Key parameters for variable component of remuneration

The remuneration of the Executive Directors is decided basis the individual performance, Company performance, inflation, prevailing industry trends and benchmarks. The remuneration of eligible Non-Executive Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship/ Chairpersonship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as the Nomination and Remuneration Committee may deem fit were taken into consideration.

The increment given to each individual employee is based on the employee's potential, experience as also their performance and contribution to the Company's progress over a period of time.

V. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The remuneration paid/payable is as per the Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel, Senior Management and other Employees of the Company.

Annexure VII

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 for FY2024 are set out hereunder:

(A) Conservation of Energy

Your Company's operations are not energy intensive. However, adequate measures have been initiated across all branches of the Company to reduce energy consumption as your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources.

(i) The steps taken or impact on conservation of energy:

The steps taken on conservation of energy covers:

(a) Use of 5-star Bureau of Energy Efficiency ("BEE") and Brushless Direct Current Motor ("BLDC") Fans in new and existing branches:

- Replacement of old air-conditioners with 5-star BEE rated machines across 53 branches (264 ACs) with R-410A gas, which helps in reducing Ozone depletion. The Company has taken the initiative to use environment friendly gas in air-conditioners during the year. Replacing old air-conditioning systems with updated versions has also led to savings of 96.69 Megawatts.
- Replacement of conventional fans with BLDC fans. During the year, 361 conventional fans were replaced with BLDC fans across different branches leading to saving of 4.15 Megawatts of electricity every year.

(b) Recycling of waste generation at various locations:

During the year, the Company has sent 12,406.72 kgs of paper waste generated for responsible disposal and recycling. In return, the Company has received 654 Kgs of wheat base paper in exchange of paper waste.

With the above initiatives, your Company was able to ensure zero waste to Land fill.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Your Company is evaluating various options available for harnessing solar power as an alternate source of energy, to be used at its various branches and offices.

(iii) The capital investment on energy conservation equipment's:

Your Company has implemented various projects towards energy conservation to the tune of ₹ 1.59 crore. These projects include use of BLDC fans, use of star BEE air conditioners etc.

(B) Technology Absorption:-

Your Company has been at the forefront with respect to implementing the latest information technology and tools aimed at enhancing customer experience.

Your Company has been taking several measures to promote and encourage digital collections. The Company is saving borrowers time by digitising its business processes. Digital channels facilitate communication, which leads to increased customer retention and more consistent on-time payment.

i) The efforts made towards technology absorption:

Initiatives taken by the Company in Information Technology:

1. **Personal Loans:** Your Company has launched a Mobile-First End-to-End digital, zero paper, do-it-yourself loan application process for personal loans. This innovative solution enables customers to complete their loan application in under 10 minutes. Utilizing India Stack for seamless KYC and eMandate setup via UPI Autopay, the journey is designed for efficiency and user-friendliness. Key features include DigiLocker & vKYC integration for swift KYC verification, account aggregator-based bank statement retrieval & verification, and a bank statement analyser with a Business Rules Engine (BRE) for real-time credit decision-making. Additionally, the process incorporates eStamping and eSigning using Aadhaar. This customer-centric approach ensures a streamlined and intuitive application experience.

2. **Fixed Deposit:** Your Company has undertaken a comprehensive re-design and re-engineering of its fixed deposit ("FDs") portal to better serve customers who prefer self-service options. The previous 9-step process has been streamlined into an efficient 4-step booking system, reducing the booking time from approximately 22 minutes to 5-6 minutes. To further enhance the customer experience, your Company has introduced a new product offering, partial renewal. Additionally, your Company has developed an automated loan amount allocation system for customers seeking loans against their FDs. These digital interventions encourage customers to consider loans against FDs as a viable alternative to pre-closure, thereby optimizing their financial choices.

3. **Bharat Bill Payment System ("BBPS"):** BBPS has been key to driving digital collection. With BBPS, a customer can make use of any third-party application of debit card, net banking, e-wallets, UPI, etc. to make EMI payments which has led to an increase in digital collections with increment in digital platform penetration amongst the masses. Cost of the transaction via BBPS is cheaper than other payment options.

4. **BBPS Agent Institution:** Becoming an agent institution has helped the Company in digital payment penetration since the customers have the option to pay for other billers too, through our existing Customer Mobile App. In other words, your Company has access to billers of various categories on BBPS ecosystem and our customers have an option of paying to these billers through Company's Customer Mobile App. An 11% M-o-M growth in adoption has been observed.

5. **QR code on Customer Mobile App:** Customized QR code has been provided to the Company's customers through the Customer Mobile App. This QR code has been linked to the loan account of the borrower. The borrower presents the QR code to accept the payment. The said payment is directly credited to the loan account of the borrower in real time. The borrower gets real time SMS confirming the credit received to his loan account from MMFSL.

6. **QR Code on B2B App:** Collection through QR 'Scan & Pay' option on OneApp. Prior to QR 'Scan & Pay' option on OneApp, the agents only had the option of collecting through cash or cheques. Through QR Scan & Pay option, payments are made instantly, with real time confirmation through digital receipt and update on SOA.

7. **Customer Mobile Application (Customer App):** The app ensures easy access to vehicle loan details, EMI payments, tracking loan status and more. This year the Customer App has been further enhanced with new features like ENACH setup Digitally, a new QR-based collection mode, Email ID updation, NOC status tracking, AIC Charges payment, and Integration with BBPS.

8. **Quiklyz Digital Platform:** Born digital platform (Web and App) for both retail and corporate customers that provides end-to-end digital journey leveraging multiple Fintech partnerships - First of it's kind 'Browsing to Booking' customer journey. For a positive case, the TAT is less than 1 hour, including - credit check, vKYC, e-agreement & e-mandate set-up.

9. **Odessa Core leasing platform:** This platform provides capability for Automation Quotation Generation, Procurement Management, Fleet Management, Lease Management and Collection.

10. **Supply chain finance system:** Your Company has launched new supply chain finance application which includes end to end digitization of Invoices/PO upload to disbursement. The integrated system can seamlessly initiate invoice upload through RPA (M&M journey) & loan disbursement procedure by making the entire process quick and convenient for the OEMs, Anchors and Vendors.

11. **Document Management System:** State of the art document management system for SME lending is empowered with AI for Aadhar masking, meta data capture. This system is made inhouse using Azure platform capabilities on micro services architecture to take care of the increasing concurrent user requirement, scalability and pay per use model to infuse cost efficiency. Your Company has onboarded all SME vertical users on DMS and stopped using SFTP completely for customer KYC and loan related documents.

12. **SME Retail loan journey:** SME retail loan journey includes IOS/Android mobile app for sales users and seamless integrated journey for credit users on LOS. Sales and credit journey is integrated with 20+ fintechs to gather info from dedupe, bureau, fraud check, anti money laundering, BRE etc. and generate digitized CAM and application sanction. App and web journeys are based on salesforce which is a low code platform and power packed with various out of the box features which enables reduced development efforts.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- **Digital Collection:** Digital collection for FY 2024 was 25% more than FY2023.
- **Personal Loans:** The digital application has improved the efficiency of the operations team as the data in application form is pre-verified during the application process thus reducing the TAT from login to disbursement to under 24 hours from 3 working days.
- **Customer App** for lending and Fixed Deposit customers has seen 29% growth in registered user base from FY 2023 to FY 2024.
- **Fixed deposit:** The previous 9-step process has been streamlined into an efficient 4-step booking system reducing the time to book the FD from ~ 22 mins to 5-6 mins.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

Not Applicable.

(iv) The expenditure incurred on Research and Development: Your Company has not incurred any expenditure on Research and Development during the year under review.

(C) Foreign Exchange Earnings and Outgo

There was no foreign exchange earning during the year under review. Details of foreign exchange outgo during the year under review are as follows:

₹ in crore

Total Foreign Exchange Earnings and Outgo	For the Financial Year ended 31st March 2024	For the Financial Year ended 31st March 2023
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	621.12*	34.15

*Foreign Exchange Outgo for the financial year ended 31st March 2024 includes ECB loan repayment of ₹ 350 crore and acquisition of 20% equity stake in Mahindra Insurance Brokers Limited, subsidiary of the Company (wholly owned subsidiary w.e.f. 22nd September 2023) for ₹ 206.39 crore.

For and on behalf of the Board

Dr. Anish Shah
Chairman
DIN: 02719429

Place: U.S.A.
Date: 4th May 2024

Annexure VIII

Policies

Your Company is committed to adhere to the highest standards of ethical, moral and legal business conduct. Considering this, your Company has formulated certain policies, inter-alia, in accordance with the requirements of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and applicable Reserve Bank of India ("RBI") Master Directions, Guidelines and Circulars issued from time to time. The policies which are required to be available on Company's website can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies. These policies are reviewed periodically and are updated as and when needed. During the year, the Company had revised and adopted some of its Policies in order to inter-alia, align the same with statutory changes. A brief description about some of the Key Policies adopted by the Company is as under:

Sr No	Name of the Policy	Brief Description/ Objective	Summary of the key changes made to the Policies during FY2024 and up to the date of this report
1	Policy for appointment of Statutory Auditors	The Policy was adopted by the Board during FY2022 in accordance with the provisions stipulated in RBI Circular dated 27th April 2021.	Policy was amended to inter-alia, to cover independence of auditors and annual review of performance of statutory auditors in compliance with RBI Guidelines.
2	Anti-bribery and Anti-corruption (ABAC) Policy	The Policy was adopted by the Board during FY2022 and designed to provide a framework for ensuring compliance with various legislations governing bribery and corruption globally and provides guidance on the standards of behaviour which the Company's employees must adhere to.	Minor changes made to the Policy.
3	Policy on Co-Lending Model	Pursuant to RBI notification, Board has adopted the Policy to improve the flow of credit to the unserved and under-served sector of the economy and make available funds to the ultimate beneficiary at an affordable cost.	Policy was, inter-alia, amended to include broad guidelines for co-lending transactions and provisions for obtaining default loss guarantee from co-lending partners.
4	Whistle Blower Policy	The Vigil Mechanism as envisaged in the Act and Listing Regulations is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	Minor changes made to the Policy during periodical review.
5	Policy for determination of Materiality of any Event/ Information	This Policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the Listing Regulations.	The Policy was amended to inter-alia align with statutory amendments made via SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 and SEBI circular dated 13th July 2023.
6	Policy for determining Material Subsidiaries	The Policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.	The Policy was amended for better comprehension during periodical review.
7	Policy on Materiality of and Dealing with Related Party Transactions	The Policy has been framed in order to regulate all the transactions between the Company and its related parties.	The Policy was amended for inter-alia, including specific disclosure requirements to Audit Committee for obtaining omnibus approval and other changes alinged with regulatory provisions and better articulation.
8	Policy on remuneration for Key Managerial Personnel, Senior Management Personnel and other Employees	The Policy sets out the approach towards the Compensation of Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.	No change was made to the Policy during the year.
9	Policies on Sexual Harassment for Women and Male Employees	The Policy on Sexual Harassment for Women is for redressal of complaints received regarding sexual harassment and compliance of other provisions as per the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company from a good governance perspective, has adopted and made the same same applicable for its male employees too.	Minor changes made to the Policy.
10	Internal Guidelines on Corporate Governance ("IGC")	IGC has been formulated to comply with RBI Notification dated 8th May 2007 as updated vide RBI Master Directions.	IGC was amended to inter-alia, include revised terms of reference of various committees pursuant to regulatory amendments and including Board mandates to the Committees during the year.
11	Fair Practices Code ("FPC")	FPC has been devised in accordance with the RBI guidelines on Fair Practices Code to be adopted by Non-Banking Financial Companies while doing lending business.	FPC was amended to inter-alia, include matters pertaining to digital lending business, include provisions for release of charge, issue of No Objection Certificate etc.
12	Code of Conduct for Directors and Code of Conduct for Senior Management and Employees	The Board of your Company has laid down two separate Codes of Conduct, one for Board Members and another for senior management and other employees of the Company. This Code is the central policy document, outlining the requirements that the employees working for and with the Company must comply with, regardless of their location.	During periodical review, the Code was amended inter-alia, for better comprehension and for including certain standard clauses.
13	Dividend Distribution Policy	The Dividend Distribution Policy is adopted in compliance with Listing Regulations to guide the Company in making payment of dividends.	The Policy was amended to align with RBI guidelines on declaration of dividend as applicable to the Company.
14	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	The Code has been formulated to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") which inter-alia includes Policy for Determination of "Legitimate Purposes".	The Code was amended to, inter-alia, align with amendments pertaining to market rumour verification as per Listing Regulations and designating the CFO as Chief Investor Relations Officer of the Company.
15	Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management	The Policy includes the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management Team in accordance with the criteria laid down in the said Policy, succession planning for Directors and Senior Management and Policy statement for Talent Management framework of the Company.	No change was made to the Policy during the year.
16	Policy for Remuneration of Directors	The Policy sets out the approach of the Company towards the Compensation of Directors of the Company.	The Policy was ameded for better articulation of legal provisions and other minor changes were made during periodical review.
17	Corporate Social Responsibility ("CSR") Policy	The Policy defines and lays down the guiding principles and strategies implementing the Company's CSR initiatives & outlines the Board's vision and approach for undertaking CSR and creating impact in the communities.	During the year, CSR Policy was amended to inter-alia, align with CSR Rules and broad base Company's CSR mission statement.
18	Archival Policy	As per the Policy, the events or information which has been disclosed by the Company to the Stock Exchanges pursuant to Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a period of 5 years from the date of hosting on the website.	Changes were made to incorporate certain standard clauses.
19	Business Responsibility and Sustainability Policy ("BRSR Policy")	BRSR Policy, inter-alia, incorporates sustainability elements and aligns the Policy with National Guidelines on Responsible Business Conduct ("NGRBC").	No change was made to the Policy during the year.
20	Policy for preservation of documents	The Policy was framed with regard to the preservation of documents in physical and electronic mode.	Policy was amended to inter-alia, include period for preservation of business related documents/ agreements.
21	Compliance Policy	Compliance Policy has been formulated in compliance with RBI Circular dated 11th April 2022 to inter-alia include compliance monitoring mechanism, testing procedure and reporting requirements including risk assessment.	N.A.

Sr No	Name of the Policy	Brief Description/ Objective	Summary of the key changes made to the Policies during FY2024 and up to the date of this report
	New Policies adopted during FY2024.		
1	Compliance Risk Assessment Framework and Compliance Testing("CRAFT")	CRAFT has been formulated in compliance with RBI Circular dated 11th April 2022 to inter-alia, assess the effectiveness of regulatory compliance and control effectiveness.	N.A.
2	Policy on claiming of unclaimed amounts by NCS holders	In compliance with SEBI circular dated 8th November 2023, specifying the process to be followed by the investors for claiming their unclaimed amounts.	N.A.
3	Investor Grievance Redressal Policy	As a good governance practice, the Company has framed an Investor Grievance Redressal Policy which, inter-alia, mentions the grievance handling mechanism, escalation matrix and contact details of concerned team members from the Company and RTA to be contacted in relation to investor related services.	N.A.
4	Business Continuity Management Policy ("BCP Policy")	Policy has been formulated to establish a framework for managing Business Continuity Risk and the intended manner in which the Company shall manage the said risks to protect the interests of the Company's customers, employees and stakeholders.	N.A.

In addition to above policies, your Company has, inter-alia, adopted Policies in compliance with Master Directions, Guidelines, Notifications/Circulars issued by various authorities from time to time . The other Policies adopted by your Company during the year, include Policy for curing of restructured loans, Customer Grievance Redressal Policy, Policy on relief measures for dealing with areas affected by natural calamities etc. Further, in compliance with IRDAI (Registration of Corporate Agents) Regulations, 2015, Board of Directors have adopted Policy for Solicitation of Insurance Business, and Code of Conduct.

Management Discussion and Analysis

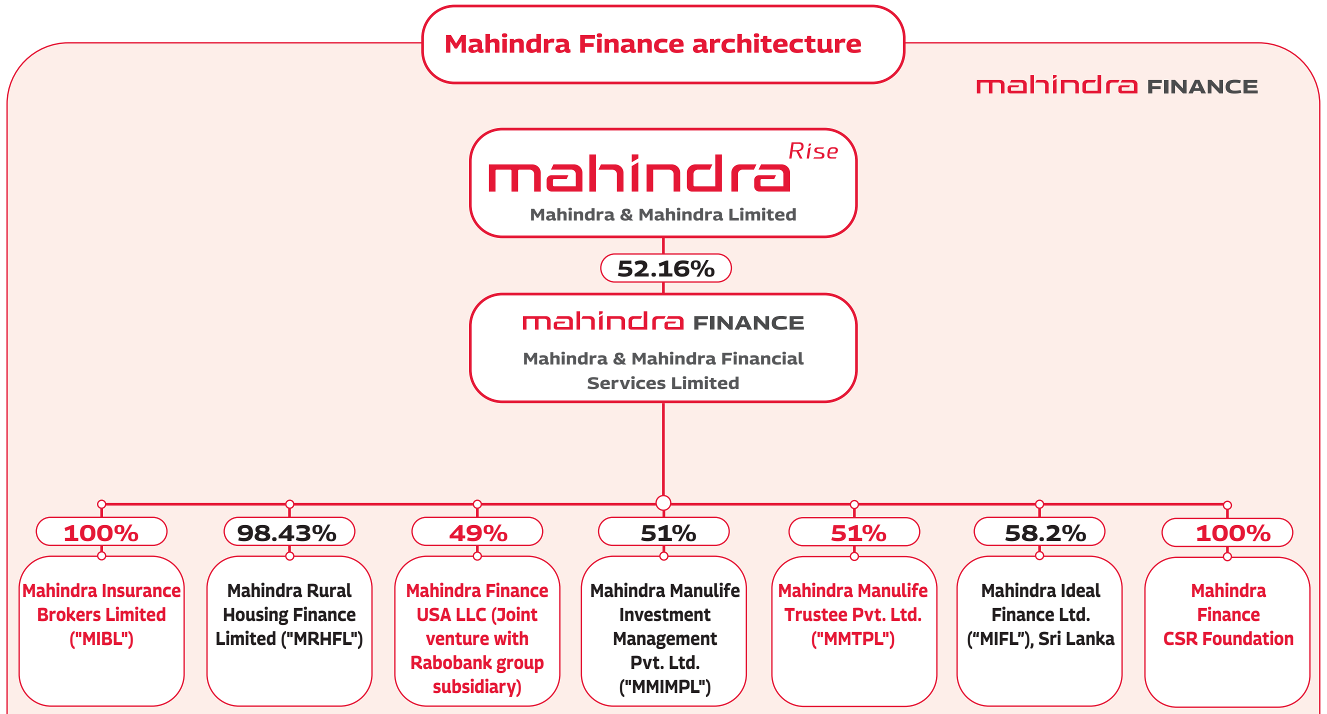
Mahindra & Mahindra Financial Services Limited – An overview

Mahindra & Mahindra Financial Services Limited (Mahindra Finance/MMFSL) is a subsidiary of the Mahindra Group's flagship company Mahindra & Mahindra Ltd. (M&M) (market capitalisation: ₹ 2.73 trillion as on 3rd May 2024), one of India's leading business conglomerates.

MMFSL is a leading non-banking financial company (NBFC) that provides a range of financial products and services to borrowers in emerging India including MSMEs (micro, small, and medium enterprises).

Our Company is a formidable player in the financing of the purchase of new and pre-owned automotive vehicles, including tractors and commercial vehicles. **The vision of MMFSL is to be a "Leading and responsible financial solutions partner of choice for Emerging India"**.

Our new businesses include MSME lending and leasing, and our strategic emphasis is on the rural and semi-urban markets. We have had the opportunity to serve over 10 million customers since inception, relying on our extensive network spread across 1,370 offices covering 27 states and seven union territories in India. Our 'AAA' credit rating is a sign of the inherent strength of our strong financial position and parentage.



Notes:

1. MIBL became wholly-owned subsidiary of the company w.e.f. 22nd September 2023.
2. Balance 1.57% held by MRHFL employee welfare trust and employees.
3. Manulife Investment Management (Singapore) Pvt. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.

Economic review

Global economy

The global economy witnessed demand resilience regardless of tightening financial conditions, simmering geo-political risks, and adverse weather patterns. Global growth came in stronger-than-expected in 2023, driven by the US economy, other emerging markets, and developing economies. Expansionary fiscal spending in advanced economies, strong labour markets and incomes, robust household consumption, and supply chain normalisation helped cushion the negative shocks stemming from geopolitical tensions in the Middle East and the war between Russia and Ukraine. However, the Euro area saw some lingering effects from high energy prices and weak consumer sentiments.

Globally, central banks were forced to raise interest rates to restrictive levels to keep the persistently high inflation in check. Tight credit availability and higher borrowing costs did cause strain to commercial real estate in some economies. Factors such as higher interest rates for extended period, supply disruptions, and price spikes could keep global financial conditions tight. The weakness in China's property sector and local government financing constraints could also weigh on global growth prospects.

Outlook

Although many of these factors are still relevant, inflation is converging towards target levels across regions, thereby building expectations that policy rates will decline. Globally, the near-term priority for major central banks is to facilitate a 'soft landing' by neither lowering rates prematurely nor delaying rate cuts too much. According to the International Monetary Fund (IMF), global growth is projected at 3.2% in 2024 and 2025. Meanwhile, inflation is expected to fall to 5.9% in 2024 (vs. 6.8% in 2023) and to 4.5% in 2025. However, new commodity price spikes from geopolitical tensions and property sector woes in China could prolong tight monetary conditions and pose downside risks to growth forecasts. In summary, with the likelihood of a 'hard landing' receding as adverse supply shocks unwind, risks to the global outlook are broadly balanced.

Global growth forecast (%)

Particulars	2023	2024	2025E
World	3.2%	3.2%	3.2%
Advanced economies	1.6%	1.7%	1.8%
- United States	2.5%	2.7%	1.9%
- Euro area	0.4%	0.8%	1.5%
Emerging markets & developing economies	4.3%	4.2%	4.2%
- China	5.2%	4.6%	4.1%
- India	7.8%	6.8%	6.5%

Source: International Monetary Fund (IMF), April 2024

Indian economy

India continued to exhibit robust economic performance. Factors such as strong domestic demand, rural demand pickup, robust investment, and sustained manufacturing momentum have contributed to India's resilience. The RBI and IMF projections forecast high growth rates for India, further reinforcing the positive outlook. In FY2024, India's buoyant domestic economic sentiment was reflected in strong GST collections, substantial growth in the manufacturing and services sectors, and record stock market performance, which underpinned India's ability to navigate global challenges successfully.

India is demonstrating a strong commitment to economic growth through substantial investments, dedicating approximately 30% of its GDP. This significant investment, coupled with consistent year-on-year GDP growth rates of 7% or higher, reflects the nation's proactive approach towards fostering development and sustainable progress. As per RBI's survey the capacity utilisation in manufacturing sector is above the long term average at 74.7% for the quarter ended December 2023 and could remain elevated as growth receives support from improving consumer and business sentiment.

Global slowdown led to a moderation in India's merchandise exports as well as merchandise imports, which helped narrow the merchandise trade deficit in FY2024, as exports showed a smaller contraction than imports. Services exports expanded at their fastest pace in FY2024, supported by rising software exports and business services exports. Owing to these developments, India's current account deficit improved to 1.2% of GDP during the first nine months of FY2024, compared to the same period a year earlier.

Retail inflation in FY2024 witnessed a significant decline, reaching its lowest level since the COVID-19 pandemic. Accordingly, as price pressures continue to abate in India, the RBI's Monetary Policy Committee (MPC) held policy rates at their current levels, stating that the last mile of disinflation will involve aligning inflation with its target of 4.0% on a durable basis. Considering factors such as geopolitical conflicts, potential adverse domestic weather shocks, and the prediction of an above-normal monsoon this year by the IMD, the RBI projected CPI inflation for FY2025 at 4.5%.

Outlook

Overall, India's growth momentum remains strong. The upturn in the investment cycle, a broad-based revival in manufacturing and services sectors, the government's capex push, upbeat business and consumer sentiments, and strong corporate and bank balance sheets will accelerate growth. We should see the continuation of leveraged consumption and investment which should keep FY2025 GDP growth near 7.2%, according to the RBI. Early indications suggest normal or above-normal monsoon which should improve agricultural income and lower inflation. Apart from improving consumer sentiment, the economy is benefiting from the revival in corporate sector project announcements, which augurs well for job generation. Volatile food prices, however, interrupt the path of disinflation and cloud the inflation outlook. The continuing effect of monetary policy action and stance is keeping core inflation muted. Spillovers from geopolitical hostilities, volatile global financial markets, and climate shocks are key risks to the growth and inflation outlook.

Macro economic snapshot - India

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025E
Real GDP growth (%)	8.3	6.8	6.5	3.9	-5.8	9.7	7.0	7.6	7.2
CPI inflation (%)	4.5	3.6	3.4	4.8	6.2	5.5	6.7	5.1	4.5
WPI inflation (%)	1.7	2.9	4.3	1.7	1.3	13.0	9.4	0.4	3.5
Merchandise exports (%, G&S)	5.2	10.3	9.1	(5.0)	(7.5)	44.8	6.3	(3.7)	3.3
Merchandise imports (%, G&S)	(1.0)	19.5	10.3	(7.6)	(16.6)	55.3	16.6	(5.5)	4.8
Current account balance (% of GDP)	(0.6)	(1.8)	(2.1)	(0.9)	0.9	(1.2)	(2.0)	(1.0)	(1.2)
Exchange rate (INR/$ - avg.)	67.1	64.5	69.9	70.9	74.2	74.5	80.4	83	82.7
10-year yield (% - March-end)	6.7	7.3	7.5	6.9	6.3	6.8	7.3	7.1	6.8

Source: Department of Economic Affairs

Indian financial services industry

India's diversified financial services sector is undergoing rapid expansion and evolution as new companies enter the market with distinct offerings. The industry expansion is supported by rising income, technological innovations in fintech, and digital payments domain, reforms by the government and growing opportunities for higher penetration. However, challenges remain in terms of financial literacy and access and utilisation of formal credit.

Growth drivers

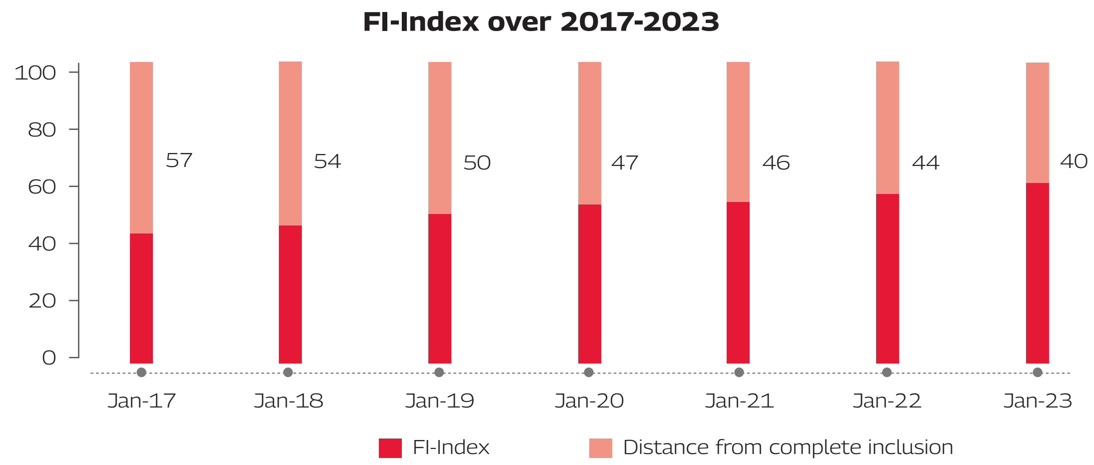
- **Rising income**

  Rising disposable incomes generate increasing demand for financial services across all income brackets in India, including insurance and retail banking services. Leveraged consumption, especially among wealthier households, presents opportunities for growth and expansion of various financial services. High net-worth individuals (HNWI) in India is expected to rise to 16.5 lakh by 2027, growing 107% from 7.9 lakh in 2022.

- **Financial inclusion**

  India's financial inclusion index (FI-index), an indicator of how well the financial services have been extended to the unbanked population (0 implies complete financial exclusion, 100 indicates full inclusion), stood at 60.1 for March 2023 compared to 56.4 in March 2022. Improvement in FI-Index was mainly contributed by dimensions related to "usage" and "quality", reflecting deepening of financial inclusion. India's Digital Public Infrastructure has helped transfer $ 400 billion of benefits to beneficiaries in the last five years.

Progress in financial inclusion



Source: RBI

- **Fintech**

  Massive investments, innovation, growing internet penetration, adoption of the Unified Payments Interface (UPI), and partnerships with government, banks and other fintechs have contributed to the sector's growth. The Central Bank is working toward expanding retail use of CBDC by allowing payments for defined benefits e.g. gift cards.

- **Financialisation of savings**

  India's gross savings stood at 29% of GDP, amounting to over $ 1 trillion. The total mutual fund folios as on 29th February 2024 stood at 17.42 crore, with a number of folios under equity, hybrid, index, and solution-oriented schemes, wherein the maximum investment from the retail segment as per AMFI stood at about 13.95 crore. Total SIP accounts grew from 636 lakh in March 2023 to 820 lakh in March 2024. According to CRISIL, the financialisation of savings is likely to accelerate, with the managed funds industry anticipated to grow assets under management (AUM) to ₹ 315 lakh crore by FY2027 from ₹ 135 lakh crore in FY2022.

- **Growing penetration of financial products**

  India already has the second-highest smartphone users globally and is the second-largest internet user market. With increasing mobile and internet users, these products are now more accessible and convenient to customers, propelling industry growth. Higher internet penetration in rural areas over the coming years, initiatives to increase financial literacy, and expansion of the fintech ecosystem beyond metros and Tier I and Tier II urban centres can help tap into the currently under served rural areas, MSMEs, new-to-credit customers, and lower income classes.

- **Government initiatives**

  In budget 2023-24, the government revamped the credit guarantee scheme. The inflow of ₹ 9,000 crore ($ 1,080.97 million) into the corpus of the credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans. The Government has also approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49%.

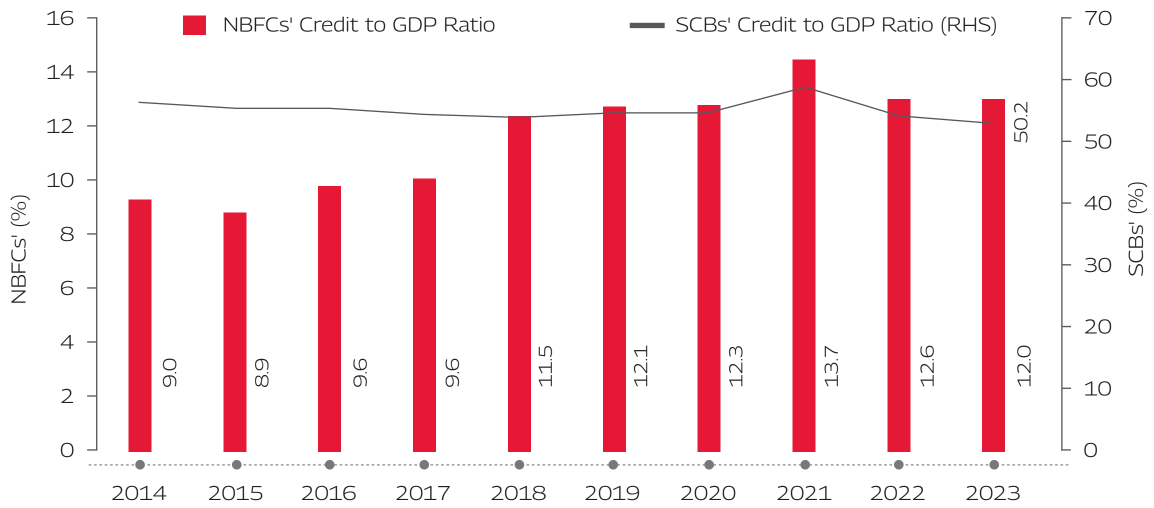
Industry structure and developments

Overview

NBFCs have emerged as the crucial source of finance for a large segment of the population, including SMEs and economically unserved and underserved people. They have managed to cater to the diverse needs of the borrowers in the fastest and most efficient manner, considering their vast geographical scope, understanding of the various financial requirements of the people, and extremely fast turnaround times.

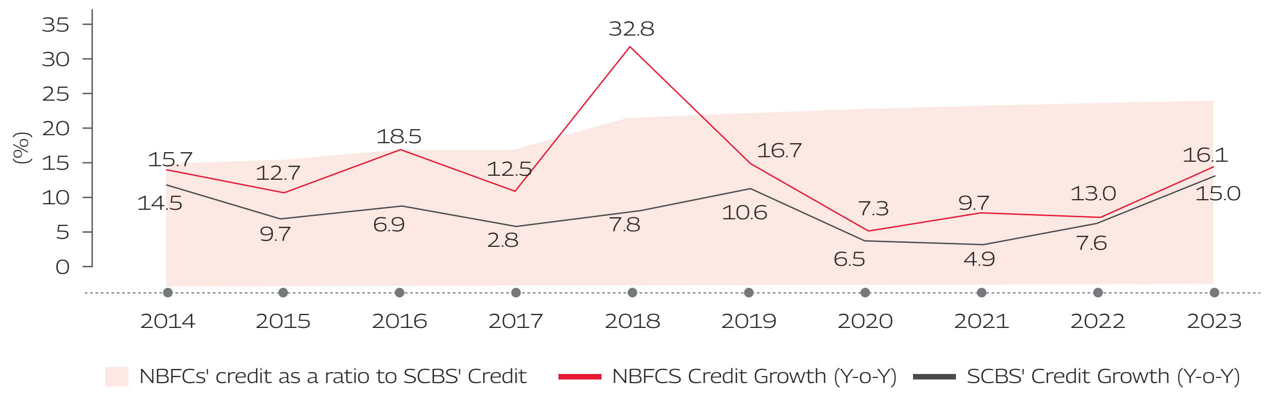
NBFCs play an important role in credit intermediation, providing last-mile credit delivery with the help of technology. They are critical to the financial inclusion process, complementing the banking system by supporting the growth of millions of MSMEs, and independently employing people. Over the years, NBFCs have seen a rising credit-to-GDP ratio ("credit intensity") and a growing role in credit provisioning vis-à-vis scheduled commercial banks.

a) NBFCs' and SCBs' credit to GDP ratios



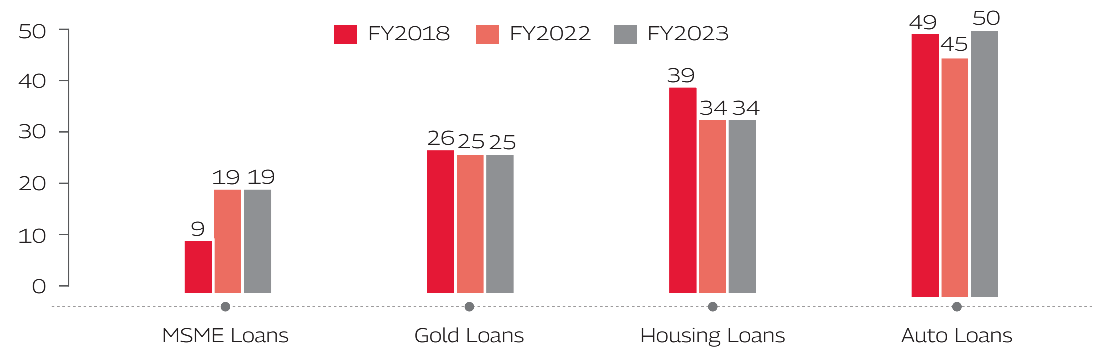
Source: Report on trend and progress of banking in India, RBI

b) NBFCs' Credit to SCBs' credit ratio and their growth rates



Source: Report on trend and progress of banking in India, RBI

Market share of NBFCs in overall credit across select asset classes (%)



Source: RBI

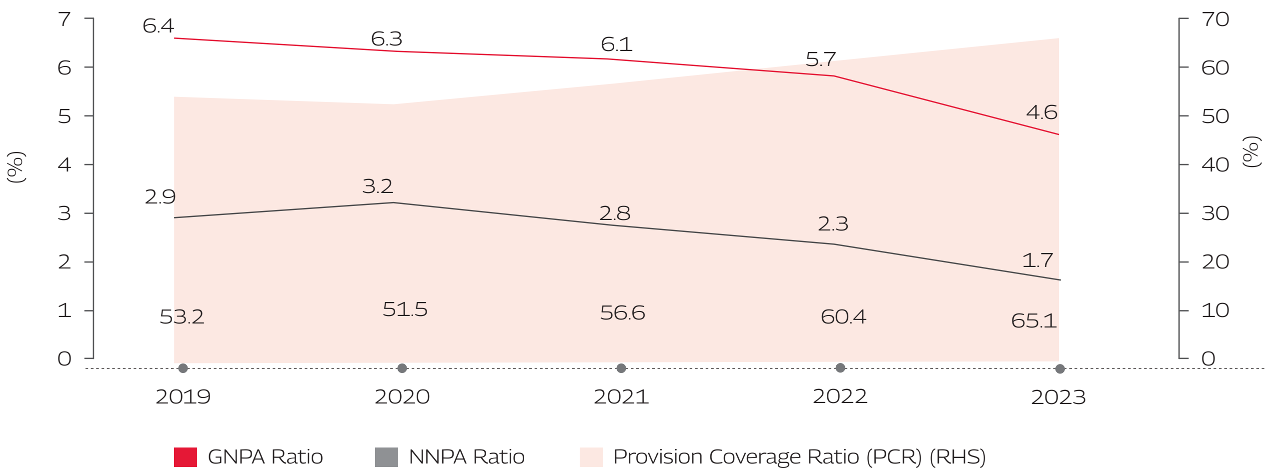
The NBFC sector continued to witness an upward trend in credit growth between September 2022 and September 2023. The gross advances grew by 20.8% a substantial increase from 10.8% a year ago. This growth was predominantly fuelled by a strong increase in personal loans (32.5% growth) and lending to agriculture industry (43.7% growth).

In fact, over the past four years, the personal loans category surged by a CAGR of 33%, significantly outpacing the overall credit growth of nearly 15% CAGR.

Performance in FY2024

Credit growth of NBFCs outpaced that of banks. Disbursements by NBFCs (excluding Infra-NBFCs) remained higher than pre-pandemic levels for the first half of FY2024 on the back of strong consumption demand. Moreover, collection efficiency of NBFCs was healthy in the first half of FY2024 and is expected to stay robust on the back of improved economic activity and a favourable outlook for most sectors. Further, the NBFC sector's momentum has been augmented by the proliferation of digital lenders offering alternative financing options.

Gross and net NPA ratios



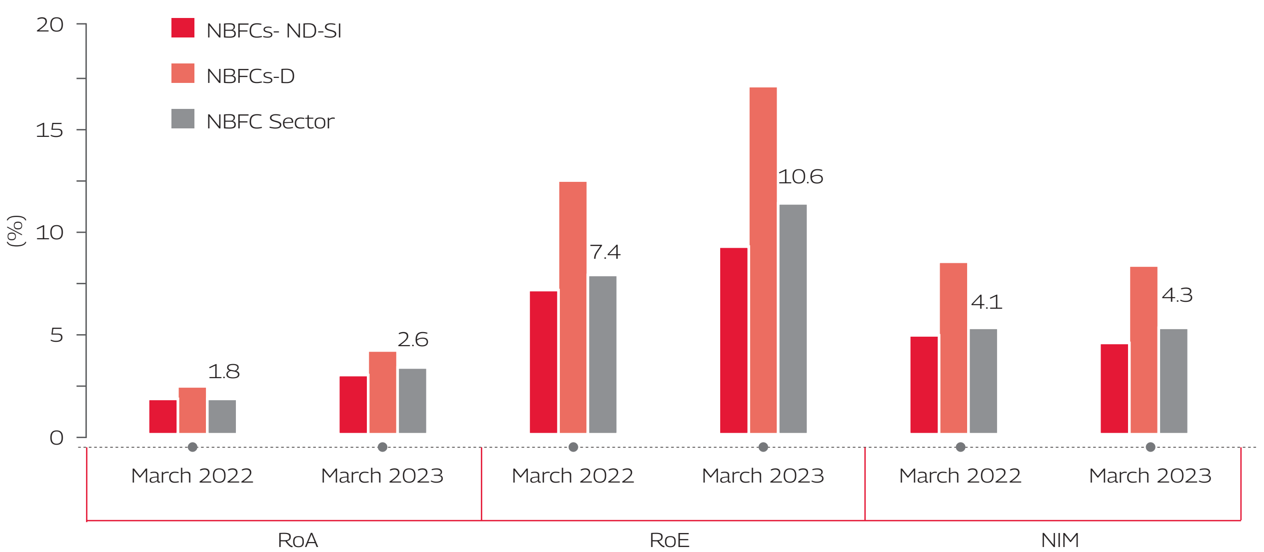
Source: RBI

An ongoing improvement in asset quality can be observed as GNPA (Gross Non-Performing Assets) ratio of NBFCs is seen declining from 5.7% in FY2022 to 4.6% in FY2023.

Financial position

GNPA of NBFCs improved by 110 bps to 4.6% in FY2024 from 5.7% in FY2023 driven by higher credit demand and improved collection efficiencies. In line with the decline in GNPAs, the capital position of NBFCs remained robust. NBFCs remained comfortably capitalised despite a fall in overall levels due to strong business growth. The Capital to Risk (Weighted) Assets Ratio (CRAR) of 27.6% at the end of September 2023 rose 20 bps from September 2022 levels. This remains well above the regulatory requirement of 15%. NIMs grew to 4.3% in FY2024 vs 4.1% in FY2023.

Profitability ratios of NBFCs



Source: RBI

NBFCs-ND-SI: Systemically Important Non-Deposit taking NBFCs

NBFCs-D: Deposit taking NBFCs

As per RBI data, NBFCs have achieved a marked improvement in its key financial ratios in FY2023. RoA has improved by 80 bps to 2.6% in March 2023 from 1.8% in March 2022. Similarly, it witnessed 320 bps improvement in ROE. NIM has seen a positive upward trend from 4.1% in March 2022 to 4.3% in March 2023.

Key regulatory developments

With the increasing size and growth of NBFCs, the regulations are getting tighter, and the scrutiny is intensifying to make the business model more robust and relevant. Confronted with the risk of a spillover effect in the financial services industry, the RBI is taking all efforts for a strong and resilient structure. These changes aim to address governance issues, strengthen risk management practices, and ensure higher levels of supervision. A few of the regulations guiding the sector are:

- **Higher risk weights to unsecured lending**

  Risk weights were raised by 25 bps to 125% on retail loans, due to indiscriminate growth in the unsecured loan portfolio, especially in personal loans and credit cards. It implies higher capital allocation for underwriting unsecured loans, thereby pressuring the capital levels. Raising capital at this juncture may not be attractive as investors exercise caution on the back of these developments. Restrictions were also imposed on banks lending to NBFCs by increasing risk weights.

- **Scale-based regulation for NBFCs**

  Reserve Bank of India ("RBI") has notified Scale Based regulations ("SBR") on 22nd October 2021. Your Company has been categorised as an NBFC- Upper Layer vide press release dated 30th September 2022, issued by RBI and further reaffirmed vide press release dated 14th September, 2023 issued by RBI. Your Company has always endeavoured to maintain the highest standards of compliance within the organisation and will continue to do so going forward. The Company continues to comply with all the applicable laws, regulations, guidelines, etc. prescribed by the RBI, from time to time including the norms pertaining to capital adequacy, non-performing assets, etc. Your Company's asset liability management is reviewed on quarterly basis by a focused Board level committee viz. Asset Liability Committee. Your Company's liquidity coverage ratio (LCR) was 313% as on 31st March 2024 against the mandatory requirement of 85%.

  Your Company has adopted all the mandatory applicable policies under SBR like Large Exposure Policy, Internal Capital Adequacy Assessment Policy (ICAAP), Compliance Policy, etc. Your Company has also put in place Compliance Risk Assessment Framework and Compliance Testing programme in compliance with the RBI circular dated 11th April 2022.

  To have a robust framework and process for Business continuity, your Company has implemented Business Continuity Policy (BCP), which, inter alia includes identification, monitoring, reporting, responding, and managing the risks, including mitigating risks of a significant or prolonged business disruption, in order to protect the interests of the Company's customers, employees, and stakeholders.

  Your Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management, and governance standards in the organisation.

- **RBI asks NBFC-MFIs to lower interest rates**

  In February 2024, the Deputy Governor expressed concerns over some MFIs disproportionately increasing their margins and warned of regulatory action against the misuse of regulatory freedom by MFI lenders under the new regime. Several microfinance players cut interest rates after the RBI pushed them to pass on the benefits of higher margins to borrowers.

- **Arrangements with card networks**

  The RBI, via notification, asked card issuers not to enter into any arrangement with card networks that refrain from availing of the services of other card networks. The card issuer shall provide an option to their eligible customers from multiple card networks at the time of issue.

- **Barring of first loss default guarantee (FLDG)**

  The RBI digital norms barred banks and NBFCs from using the FLDG arrangement equated with synthetic securitisation. The FLDG model benefitted the institutions as they were protected from default as the fintech bore part of the risk. However, now the industry is examining alternative co-lending arrangements and models.

  According to industry players, the changes being announced by the RBI and the rising compliance costs may lead to consolidation in the fast-growing fintech sector. The minimum cost of compliance has nearly doubled over the past year. These overheads include investments in technology, data protection and privacy, and internal and external audits, among other expenses. As a result, certain smaller players will eventually become part of bigger regulated entities.

Prudential norms for Income Recognition, Asset Classification and Provisioning (IRACP) on advances

We maintain such provisions in the books which adequately cover requirements under both IND-AS and Income Recognition, Asset Classification and Provisioning (IRACP) norms as notified by RBI.

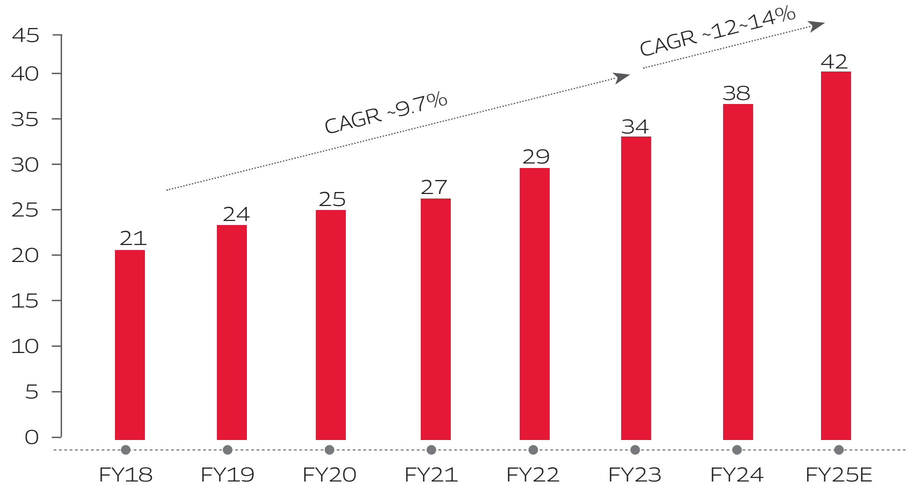
As on 31st March 2024, GNPA (IRACP) was higher by approximately ₹ 1,363 crore in comparison to GS 3 (IND-AS). This remained range bound during the year and no additional provisioning was required on account of the IRACP. In comparison to the IRACP requirement, we maintained an excess provision of ₹ 1,295 crore under IND-AS.

Outlook

NBFCs are set to grow their AUM by 12-14% in FY2024 and FY2025. With India's GDP steadily approaching a 7 % annual growth rate, inflation being subdued, and credit offtake growth reaching double digits, it sets the right pitch for NBFCs to embark on the next wave of strong growth. The increased risk weight for NBFC loans under the new RBI regulations will raise costs for NBFCs. However, the impact could be short-term in nature as NBFCs will be able to adjust their lending rates accordingly.

In the long-term, growth is expected to be supported by a strong push towards digitisation, consumer sentiment, strong auto sales, and resilient housing demand. Further, factors such as higher provisioning, stronger balance sheets, receding asset quality concerns, and normalising funding situation would enable NBFCs to drive credit demand.

AUM growth of NBFCs



Source: CII-KPMG Report, February 2024

Automobile/vehicle financing

The Indian automobile industry is poised for continued growth, fuelled by rising purchasing power, increasing urbanisation, and government initiatives. India's strategic tariff and FDI policies have fostered a robust automotive sector, making it the world's fourth-largest car producer. India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world.

The two-wheelers segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets, further aided the growth of the sector. Rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fuelled by new trends, including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

As per data from Society of Indian Automobile Manufacturers (SIAM), the total auto production (including PVs, CVs, 3W, 2W and quadricycles) was 2.8 million units in FY2024, registering 9.7% growth over the previous year. However, auto production was yet to fully catch-up to pre-pandemic levels, being 8% down from 2019 production levels.

Total domestic auto sales rose by 12.5% y-o-y in FY2024 at 24 million units, led by strong growth in PV sales, 2W and 3Ws. PV domestic sales at 4.2 million units (0.7 million units exports) in FY2024 was 25% higher than pre-pandemic 2019 levels. CV, 2W and 3W sales volumes were yet to catch up to pre-pandemic levels. 2W sales posted 13% y-o-y growth in FY2024 to 18 million units, but lower than the 21 million peak in FY2019.

Table: Domestic sale (in million units)

Category	2020-21	2021-22	2022-23	2023-24	1 Year CAGR	3 Year CAGR
Passenger vehicles	2.71	3.07	3.89	4.22	8.48%	15.91%
Commercial vehicles	0.57	0.72	0.96	0.97	1.04%	19.39%
Three wheelers	0.22	0.26	0.49	0.69	40.82%	46.38%
Two wheelers	15.12	13.57	15.86	17.97	13.30%	5.93%
Grand total	**18.62**	**17.62**	**21.20**	**23.85**	**12.50%**	**8.60%**

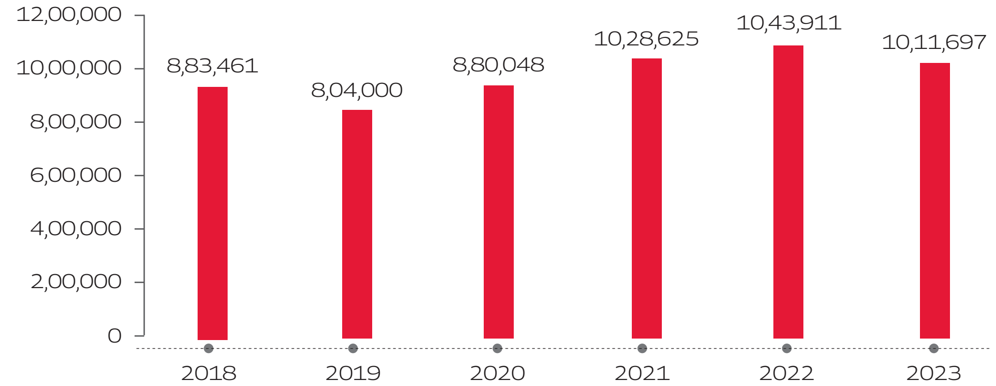
(Source: Society of Indian Automobiles Manufacturers)

The government's strategy and policies are intended to promote greater adoption of electric vehicles in response to growing customer demand for cleaner transportation options. India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles.

In addition, several initiatives by the GoI such as the Automotive Mission Plan 2026, scrappage policy, and Production-Linked Incentive (PLI) scheme are expected to make India one of the global leaders in the two-wheeler and four-wheeler market.

Rural India remains a key market for the auto sector; the Indian tractor industry has remained resilient throughout and has seen consistent export growth.

Number of tractors sold including exports



Note: The numbers are from January to December for each year.

Source: Tractor and Mechanisation Association (TMA)

In FY2024, the industry exported 97,828 tractors compared to 1,24,542 units during the same period in FY2023. Softness in tractor sales in calendar year 2023 could be partly attributed to El Nino and high food inflation adversely affecting rural incomes, keeping rural demand recovery uneven. Decline in exports can also be associated to recessionary conditions in EU.

Outlook

According to CRISIL, the NBFC vehicle finance AUM is expected to clock growth of 17% to ₹ 8.1 lakh crore by 31st March 2025, from ₹ 5.9 lakh crore as on 31st March 2023. The growth will be driven by rising demand for commercial vehicles (CVs), cars, utility vehicles (UVs), and two-/three-wheelers. Returns on managed assets is projected to remain range bound at 2.0-2.2% over next two fiscals. NBFCs will likely leverage their last-mile connectivity and deep entrenchment in micromarkets to focus on used-vehicle financing.

Overall, the vehicle financing sector remains highly dynamic in India, where digitisation and partnerships allow industry players to gain an edge over their competition.

Highlights of interim union budget FY2025

The automotive sector contributes significantly to India's GDP and employment. The Union Budget touched upon the following critical areas for the mobility sector:

Push towards electric vehicles

Customs duty exemption has been extended to the import of capital goods and machinery required for the manufacture of lithium-ion cells for batteries used in EVs The government has allocated ₹ 2,671 crore in the interim budget for FAME III for FY2025. To promote EVs, the Ministry of Heavy Industries has also sanctioned 6,862 e-buses for various cities, state transport undertakings, and state governments for intra-city operations. Also, customs duty reduction from 21% to 13% on lithium-ion cells and viability gap funding support for battery storage systems with a capacity of 4,000 MWh in Budget FY2024 will push the EV sector.

Production-linked incentive scheme

The Interim Budget reveals a substantial increase in the allocation for the automotive industry (PLI) Production-

Linked Incentive scheme for 2024-25, reaching ₹ 3,500 crore. The PLI scheme for advanced chemistry cell and battery storage has seen a notable hike from ₹ 12 crore to ₹ 250 crore. Also, tenure of PLI for automobiles and auto components have been extended by one year.

Urban public transportation

The government proposed ₹ 1,300 crore for electric buses and ₹ 24,931 crore for metro projects. The funds mark a 7.57% increase from the previous year's allocation for mass rapid transit system and metro projects. Under the PM-eBus Sewa scheme, the government aims to procure 10,000 electric buses for 169 cities through public-private partnerships. The scheme, with a total outlay of ₹ 57,613 crore, will continue until 2037.

MSME financing

India's micro, small, and medium enterprises (MSME) sector accounts for almost 33% of the country's GDP and 45% of total employment, creating nearly 120 million jobs across all industries and being a key driver of credit offtake. The small companies account for 40% of the nation's overall industrial production and 42% of all Indian exports. NBFCs play a critical role in funding this emerging sector by offering a variety of loan products tailored to address the specific needs of MSMEs like, term loans, working capital loans, cash credit, equipment financing, etc.

Digitised MSME loans

The RBI enabled end-to-end digitisation of loans to MSMEs in 2023 and complete digitalisation of Kisan Credit Card (KCC)-based loans.

Emergency credit line guarantee scheme (ECLGS)

As on 31st January 2023, 1.2 crore MSME units availed of the ECLGS scheme. Collateral-free resources, aggregating ₹ 3.6 lakh crore, were raised. Bank credits to MSME registered a CAGR of 14.2% from FY2019 to FY2024.

Lean manufacturing competitiveness for MSMEs

Under the MSME Competitive (Lean) Scheme, MSMEs will be assisted in reducing their manufacturing costs through proper personnel management, better space utilisation, scientific inventory management, improved processing flows, reduced engineering time, and so on.

Micro and small enterprises cluster development programme (MSE-CDP)

The MSE-CDP was established with the goal of assisting MSMEs in developing and being sustainable by addressing challenges with information technology, skills and excellence, and market access. The plan assists in setting up Common Facility Centres with GoI assistance of up to 80% of the project cost and infrastructure facilities with GoI assistance of up to 70% of the project cost.

Performance in FY2024

Credit flow to MSMEs continues to grow, catalysed by technology and data-analytics-oriented lending. This credit growth is broad-based and expanding among semi-urban and rural MSMEs. GNPA ratios of MSMEs fell to 4.7% in September 2023 from 6.8% in March 2023.

Regarding the quality of the MSME loans, banks reported further improvement in the first half of the current financial year, according to the latest Financial Stability Report by the Reserve Bank of India (RBI), released in December 2023. The MSME gross non-performing assets (GNPA) had declined to 4.7% in September 2023 from 6.8% in March 2023 and 7.7% in September 2022. In March 2022, the GNPA ratio was 9.3%.

Outlook

The MSME sector is projected to grow at 7% in FY2025, resulting in increased credit demand and rise in the share of credit disbursed to MSMEs by SCBs and NBFCs. The government's emphasis on self-sufficiency through the 'Atmanirbhar Bharat' initiative and the positive effects of the PLI scheme should drive demand for credit in the MSME segment. As economic activity picks up gradually with the support of fintech and other digital lending solutions in the sector, MSMEs' demand for credit will likely increase as the sector also experiences the ease of doing business digitally.

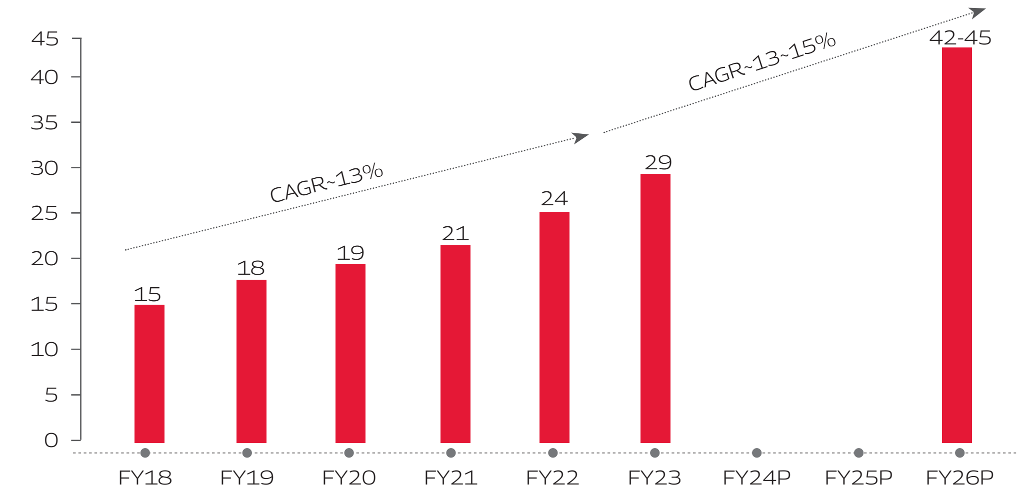
Housing finance

Driven by important policy initiatives such as Housing for All, 2.55 crore units had been constructed in rural areas under the Pradhan Mantri Awas Yojana by 18th March 2024. Further, with the government developing mega infrastructure projects such as highways, airports, metros, etc., real estate and housing finance are experiencing both quantitative and qualitative growth. In the future, growth in the affordable housing finance industry will be driven by an under-penetrated market and digitally enabled services.

Performance in FY2024

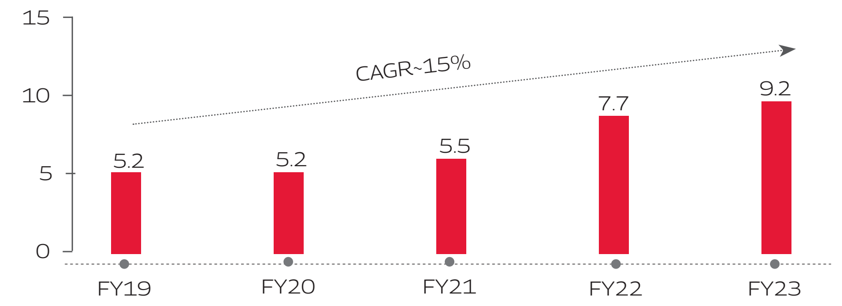
The Indian housing finance market is projected to be $ 385 billion in 2024. The segment is expected to clock a healthy ~24% CAGR from FY2024 to FY2033 on account of a rise in disposable income, healthy demand emanating from smaller cities, attractive interest rates, and government thrust on housing. The share of the higher ticket size segment (> ₹ 1.5 million) increased from 76% in 2018 to 85% in 2023. The release of pent-up demand was reflected in the housing market as demand for housing loans increased. Despite rising interest rates and real estate prices, customer interest remained strong, as even with an increase, the rates remained below earlier cycles. Consequently, housing inventories fell to 4,81,566 units at the end of March 2024 across nine major cities from 5,18,868 units at the end of December 2023.

Growth in housing loans outstanding (₹ in trillion)



Note: P - Projected

Growth in housing loans disbursement (₹ in trillion)



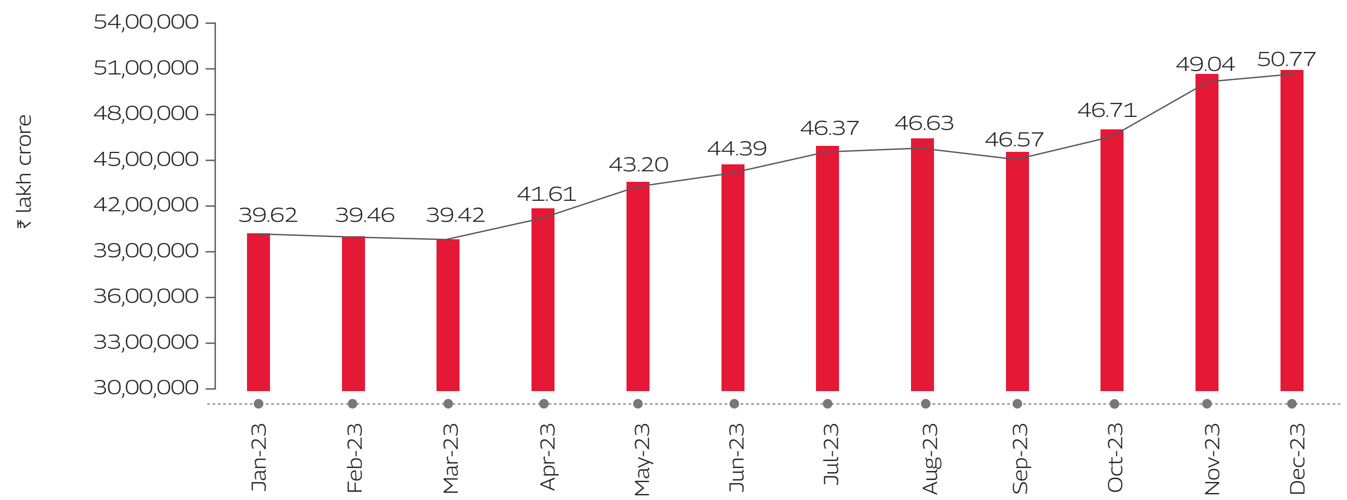
Source: Crisil Report

Outlook

In the Interim Union Budget FY2025, the government proposed to increase the PM Awas Yojana Fund to ₹ 80,671 crore, which will result in the construction of an additional two crore houses in the next five years. In FY2025, the sector will likely see robust growth due to rising income and favourable government initiatives. ICRA expects the asset quality indicators of HFCs not be significantly impacted by the rise in interest rates as the nation's housing market remains in an upcycle.

Mutual funds

According to the AMFI, the mutual fund industry's net asset under management (AUM) was ₹ 53.40 lakh crore at the end of March 2024, indicating investors' continued faith in the markets. Of the total AUM, retail AUM across equity, hybrid, and solution-oriented schemes stood at an all-time high of ₹ 31.2 lakh crore. As equity-oriented mutual funds registered a net inflow of ₹ 1.84 lakh crore in FY2024, SIP inflows continued to soar. SIPs stood at ₹ 1.99 lakh crore, 27.6% higher than the previous financial year.



Source: AMFI

Outlook

The Indian MF industry is expected to double its valuation to ₹ 100 lakh crore by 2030. MFI growth is expected to be driven by differentiated perspectives on investing and retail participation from young investors. With a strong foundation for continued growth, the industry is expected to adapt to evolving market conditions, explore innovative investment avenues, and cater to the diverse needs of investors.

Insurance industry

India is predicted to have the fastest-growing insurance sector among G20 nations for the next five years until 2028, with a real-term growth of 7.1% in total insurance premiums. As per IRDAI, India will be the sixth-largest insurance market within a decade, leapfrogging Germany, Canada, Italy, and South Korea. The growth rate for the global insurance market is projected to be ~2.4%. According to the RBI's Economic Survey 2022-23, India is among the fastest-growing insurance markets globally and is likely to be in the top six insurance markets by 2032. Digitisation and an increase in the FDI limit are likely to drive increased long-term capital flow to the insurance sector in India.

India's insurance penetration in FY2024 is estimated to be 3.8% of the GDP. The market share of private-sector companies in the non-life insurance market rose from 15% in FY2004 to 62% in FY2023. In H1 FY2024, non-life insurance players saw a premium income increase to ₹ 1,42,802 crore due to strong demand for health and motor policies. The general insurance industry saw a growth of 14.9% in H1 FY2024. The business growth for the first half of FY2024 was driven by health (especially the group segment), motor, and crop insurance.

Outlook

The Indian insurance industry is likely to be among the fastest-growing insurance markets over the next decade. The life insurance business is expected to grow by 6.7%, backed by rising demand for term life cover by the middle-income group and increased adoption of insurtech. The non-life insurance sector is likely to grow by 9.7%, driven by economic growth, improvements in distribution channels, government support, and a favourable regulatory environment like sponsored mass health programmes such as 'Ayushman Bharat'. Moreover, IRDAI has committed to providing 'Insurance for All' by 2047, which would lead to massive demand stimulation for the insurance industry in the coming years. With government initiatives, technological innovations, and regulatory frameworks shaping the industry, the prospects are likely to remain robust.

Business review

The business environment has witnessed a broad-based growth with further strengthening of our position in the financing of passenger vehicles, pre-owned vehicles, and tractors. The disbursement of ₹ 56,208 crore was the highest ever, an increase of 13.5% over the previous year. This helped us reach a significant milestone, with our loan book exceeding ₹ 1,00,000 crore. The growth has been a mix of gaining scale in our core area of rural and semi-urban markets coupled with building a presence in Emerging India by catering to the mass-affluent customer segment. New business verticals like SME lending (including loans against property) and leasing are being scaled up. The business growth was complemented by a strong improvement in asset quality, wherein Gross Stage 3 improved from 4.5% (as of March 2023) to 3.4% (as of March 2024). Similarly, Gross Stage 2 improved from 6.0% to 5.0% during the year.

We continue to hold leadership positions in the Tractor and Mahindra UV (utility vehicles) financing segments. Our market share has also further improved during this period across manufacturers. We continue to partner with auto aggregators to generate leads in the pre-owned vehicle finance space.

Quiklyz, a leasing solution launched in FY2022, continues to enhance its presence in the B2B segment and is expected to grow as rising demand for EVs is expected to boost the rental and leasing market.

Our Company is now rated AAA across all credit rating agencies. This shall gradually reflect an improvement in borrowing rates and the ability to access more investors.

Overall, we continue to focus on sustained momentum in disbursements, improving asset quality, and robust collection efficiency, with a continued focus on talent retention and technology initiatives.

Business performance

Operational review

The key operational highlights are:

- Total income was ₹ 13,562 crore in FY2024 compared to ₹ 11,056 crore in FY2023, an increase of 22.7%, primarily led by asset and disbursement growth.
- Disbursements for FY2024 were at ₹ 56,208 crore, a growth of 13.5% over the previous year.
- Business Assets rose to ₹ 1,02,597 crore in FY2024 from ₹ 82,770 crore in FY2023, an increase of 24.0%.
- Strong Capital Adequacy at 18.9%, D:E ratio of 5.08 and maintained a comfortable liquidity chest ~₹ 7,950 crore.
- Maintained a healthy Provision Coverage Ratio (PCR) of 63.2% for Gross Stage-3 in March 2024.
- Customer base crossed 10 million customers.
- Employee base stood at 26,662 as on 31st March 2024.

SCOT analysis

Strengths

Stakeholder and customer relationships

- Long-lasting relationship across multiple OEMs and channel partners.
- Empowered local workforce.
- Deep Rural and Semi-urban (RUSU) presence and in-depth customer understanding. RUSU livelihoods acumen. Diversified product range as per customer needs.
- Customer and brand trust.
- Wheels leadership - strong position in the vehicle financing; market leader in tractor financing.
- Vast distribution network and wide coverage.
- Strengthened processes to manage volatility.
- Agile operations and control functions across compliance, risk, audit, underwriting and collections.
- Comfortable capitalisation and liquidity profile.
- Streamlined credit costs.

Challenges

- Limited MMFSL perceived presence beyond wheels financing.
- Weaker digital/technology capabilities than peers.
- Elevated cost of borrowing.

Opportunities

- Growing resilient middle-income segment with diverse and growing financial needs.
- Resurgent economic activity, increasing formalisation and digital economy.
- Rise of ecosystem partnerships and platforms.

Threats

- Rising competition from banks.
- Impact on demand in the backdrop of sustained inflation.
- Uncertain global political environment.

Financial overview

The following table presents the Company's standalone abridged financials for FY2024, including revenues, expenses, and profits.

Abridged statement of profit and loss

(₹ in crore)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023	Change (%)
Revenue from operations	13,404.14	10,928.80	22.6%
Other income	158.28	127.29	24.3%
Total revenue	**13,562.42**	**11,056.09**	**22.7%**
Expenses			
(a) Employee benefits expenses	1,712.63	1,584.27	8.1%
(b) Finance costs	6,426.94	4,576.72	40.4%
(c) Depreciation, amortisation, and impairment	228.71	187.23	22.2%
(d) Impairment on financial instruments	1,822.79	999.23	82.4%
(e) Other expenses	1,015.88	956.06	6.3%
Total expenses	**11,206.95**	**8,303.51**	**35.0%**
Profit before exceptional items and taxes	**2,355.47**	**2,752.58**	**-14.4%**
Exceptional items (net) - income/(expense)	-	(54.51)	-
Profit before tax	**2,355.47**	**2,698.07**	**-12.7%**
Tax expense	595.85	713.75	-16.5%
Profit for the year	**1,759.62**	**1,984.32**	**-11.3%**

Key ratios

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
PBT/total income	17.4%	24.4%
PBT/total assets	2.0%	2.8%
PAT/total income	13.0%	17.9%
RONW (Avg. net worth)	10.0%	12.1%
Debt/equity	5.08:1	4.39:1
Capital adequacy	18.9%	22.5%
Tier I capital	16.4%	19.9%
Tier II capital	2.5%	2.6%
Book value (In ₹)	147.0	138.3
NIM (gross spread)	6.8%	7.6%

Explanation for variation of 25% or more in key financial ratios

PBT/total income and PBT/total assets decreased by over 25% from previous year due to higher provision release in FY2023. The total provision write-back for FY2023 was INR 1,214 crore compared to a provision of INR 108 crore in FY2024, leading to lower PBT ratios for FY2024.

Discussion on financial performance

- Revenue from operations during FY2024 increased by 22.6% over the previous year. This was primarily due to the average loan book in FY2024 being higher than the previous year. Disbursements improved with each passing quarter, resulting in the closing loan book being higher by 24.0% over the previous year.
- Net interest income grew by 9.8% over the previous year. During the current year, your Company's credit rating remains stable at 'AAA' across all credit rating agencies.
- Net Interest Margin (Gross Spread) for the year stood at 6.8%, compared to 7.6% in FY2023. The higher interest range regime continued to impact the Gross spreads throughout the year. Interest income has increased by 22.6% y-o-y in FY2024.
- The cost-to-income ratio for the year decreased during the year to 41.4% as compared to 42.1% in FY2023, a result of prudent execution and control over costs. Your Company continues to invest in new collection-related processes, upgrade its IT infrastructure, and bring in new talent. Operating expenses have increased 8.4% y-o-y in FY2024 due to continued investments in future growth-oriented areas and digital initiatives, which will result in cost optimisation over the medium term.
- The profit before tax for FY2024 was lower by around 12.7% at ₹ 2,355 crore as against ₹ 2,698 crore in FY2023. Your Company, however, continued to maintain a robust provision coverage of 63.2% in FY2024 vis-à-vis 59.5% in FY2023.
- Profit After Tax (PAT) for the year stood at ₹ 1,760 crore, lower by around 11.3% compared to ₹ 1,984 crore in FY2023.
- Return on Equity (RoE) for the year stood at 10.0% against 12.1% in FY2023. Return on Assets (ROA) for the year stood at 1.7% compared to 2.3% for the previous year.

Segment-wise disbursement performance

(₹ in crore)

Asset Class	Year ended Mar-24	Year ended Mar-23	y-o-y
Passenger vehicles	23,297 (42%)	18,132 (36%)	28%
Commercial vehicles and construction equipments	12,135 (22%)	10,778 (22%)	11%
Pre-owned vehicles	9,745 (17%)	8,258 (17%)	18%
Tractors	5,724 (10%)	5,864 (12%)	-2%
3 Wheelers	2,496 (4%)	1,992 (4%)	25%
SME	2,029 (4%)	3,483 (7%)	-42%
Others*	782 (1%)	834 (2%)	-6%
Total	**56,208 (100%)**	**49,541 (100%)**	**13%**

*Others include gensets, personal, and consumer loans

- Figures in bracket indicates share of overall disbursement

- The passenger vehicle market has witnessed a notable shift towards premiumisation, with customers increasingly favouring SUVs. As a result, the share of passenger vehicles in disbursements increased from 36% to 42%.
- The tractor industry saw a moderation in demand last year, resulting in a 2% y-o-y growth slowdown in this segment.
- Recognising the evolving customer landscape, we have also strategically expanded our focus in the pre-owned vehicle market. This has yielded positive results, as evidenced by 18% growth in this segment.

Business outlook

In our quest to realise the full potential of financial services and deepen our presence across Emerging India, we plan to add over 150 branches over the next 12-18 months while continuing to invest in strengthening distribution, technology backbone, digital assets, and human capital across functions and businesses.

We are also putting in additional safeguards and further strengthening our checks and balances by deploying digital due diligence tools around customer onboarding and accelerating the timeline for the centralisation of document reviews, ensuring our business model remains robust with its inherent ability to mitigate such risks.

Risk and concerns

Considering how volatility in the operating environment can have an unprecedented impact on global businesses, our Company is adopting a more proactive risk management and mitigation framework. The Risk Management Committee assists the Board in overseeing various risks, including reviewing and analysing risk exposures related to our Company. The Risk Management Committee regularly reviews risk management measures, and followed thereafter by the Board. Periodic diligence is performed, and recommendations for corrective actions and process changes are thereafter implemented.

Risk management process

The risk management system is integral to all major functions within our Company. The process includes these key elements:

- A strategy that is driven by objectives and principles.
- Assignment of responsibilities.
- 'ATMA' (Avoid - Transfer - Mitigate - Assume) risk management framework approach and reporting cycle to identify, assess, mitigate, monitor, and report the risks that our Company is or may be exposed to.
- A combination of 'top-down' and 'bottom-up' approaches to the risk assessment and management process.
- A risk-monitoring plan that outlines the review, challenge, and oversight activities.
- Outside-in reporting procedures ensure risk information is actively monitored, managed, and appropriately communicated at all levels within the Company.
- Developing risk appetite statements with the strategic planning process, then monitoring and reporting on these statements.

The risk management framework is based on assessing risks through analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessment, and monitoring of key risk indicators. The key risks are the following:

Credit risk

Credit risk is defined as the possibility of losses associated with a diminution in the credit quality of borrowers or counterparties. In MMFSL's portfolio, losses stem from outright default due to the inability or unwillingness of a customer or counterparty to meet commitments concerning lending and other financial transactions. Alternatively, losses result from a reduction in portfolio value arising from an actual or perceived deterioration in credit quality.

Approach: effective management of credit risk is a critical component of comprehensive risk management and is essential for the long-term success of the organisation. Credit risk management encompasses the identification, measurement, monitoring, and control of credit risk exposures.

- The stringent credit appraisal system and post-disbursement monitoring ensure high-quality loan assets with a low probability of default.
- A borrower credit rating framework is adopted to avoid the limitations associated with a simplistic and broad classification of loans and exposures into a 'good' or a 'bad' category. Proposals with high-risk classifications are recommended to the higher level of credit approvers with suitable mitigations.
- Proactive risk mitigation through proprietary early warning signals which is measured through various key risk indicators such as Early delinquency, Non-starters and Quick mortality, etc.

Liquidity risk

Liquidity risk refers to the inability of a company to either meet its financial obligations, including debt servicing, or its inability to raise funds from external sources at optimal pricing.

Approach: We continue to have a comprehensive Liquidity Risk Management (LRM) framework that is governed by the Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee (ALCO) of the Board and the Asset Liability Management Committee (ALMCO) oversee the implementation and ensure adherence to the risk tolerance and limits set as per the LRM framework. Further, to minimise any impact of any external shock, our Company maintains a liquidity buffer as required under the Treasury Chest Policy, which is reviewed by both ALCO and ALMCO at regular intervals. Our Company has a well-diversified lender profile with no undue concentration on funding sources. Our Company has a well-diversified lender profile with no undue concentration on funding sources. The concentration of borrowing through various sources is also monitored to ensure a diversified borrowing mix.

Interest rate risk

This refers to the fluctuations in interest rates, which could adversely affect borrowing cost, interest income, and net interest margins of Companies in the financial sector.

Approach: The ALCO and ALMCO regularly review the sensitivity analysis, which projects our Company's vulnerability to changes in interest rates. The LRM framework has defined a judicious borrowing mix that allows the Company to manage interest costs. It has also defined a judicious investment mix, which allows us to optimise returns. Prudential limits on borrowing and investments ensure the Company does not take any undue risks. All these policies and review mechanisms assist in making the necessary realignments to lending and borrowing decisions to mitigate any interest rate risks.

Operational risk

Operational risk is a critical component of organisational risk management frameworks. It encompasses the potential for financial loss arising from internal deficiencies or failures as well as external events such as legal and reputational challenges.

Approach: The Operational Risk Management Policy serves as a strategic tool in establishing a structured governance framework to address and mitigate these risks effectively. By adopting the proactive risk management approach outlined in the policy, organisations have enhanced their resilience to operational vulnerabilities. This involves clearly defining roles and responsibilities, implementing segregation of duties, and delegating powers appropriately. Through the deployment of multiple operational risk management frameworks, organisations have bolstered their defences against potential threats. Additionally, Key Risk Indicators (KRIs) have been identified for monitoring critical risks at a defined frequency to enable corrective actions on time. The KRIs are statistics and/or metrics, which provide insight into the organisation's risk position. By adhering to these guidelines and leveraging the recommended strategies, the Company has strengthened its operational risk management capabilities and upheld its overall resilience.

Business risk

Being an NBFC, we are exposed to various external risks, which directly affect sustainability and profitability. The most prominent risks are industry risk and competition risk. Our customers also have their earnings linked to agri-output and its prices. The timely and spatial distribution of monsoons and other climatic factors plays an important role in the earning and repayment capabilities of our customers. The volatile macroeconomic scenario and sector-specific imbalances can result in loan asset impairments.

Approach: A dedicated team evaluates the trends in the economy and various other sectors. In line with market trends, our Company has developed tailor-made products and is reviewing new growth engines like SME, digital operating model, and leasing to deepen market penetration and de-risk the business from overdependence on its core, which is vehicle finance. Driven by a nimble-footed sales force, a wide range of products, continuous efforts to further improve turnaround time, and a customer-friendly culture, we are efficiently staying ahead of the curve.

Compliance risk

It is the risk arising out of legal or regulatory actions consequent to failure to comply with applicable statutes, regulations, directions, standards, and guidelines.

Approach: Our Company adheres to the guidelines issued by the RBI and other regulators, including Capital Adequacy, Fair Practice Codes, RBI Reporting, Asset Classification and Provisioning Norms, etc., to ensure zero tolerance on the non-compliance aspect.

Vide the notification RBI/2021-22/112 DOR.CRE. REC. No.60/03.10.001/2021-22 dated 22nd October, 2021, the regulator has brought about a revised scale-based regulatory framework for NBFCs. In October 2023, the RBI issued a scale-based regulation through Master Direction for the NBFC.

The regulatory framework classifies NBFCs into four layers (Base, Middle, Upper, and Top) based on their size, activity and perceived riskiness. MMFSL has been classified under the Upper Layer.

Appropriate processes and systems have been put in place to comply with the requirements prescribed for Upper Layer NBFCs. Internal Capital Adequacy Assessment Process and Stress Testing have been implemented as part of scale-based regulation with the adoption of appropriate risk assessment methodologies.

To mitigate compliance risk and ensure timely dissemination and adherence to information on regulatory prescriptions and guidelines, the Company has put in place a mechanism a circular Management process) to disseminate the stakeholders' regulatory guidelines with specific actionable emanating from the same for timely implementation. Further, the Company has implemented a compliance testing programme covering critical regulations to assess the level of compliance with them. The outcome of testing is shared with the concerned department, suggesting improvements, if any, and with senior management. The action on suggested improvements, if any, is being monitored for implementation.

Human capital risk

Risk of undesired attrition of good performers and critically skilled employees.

Approach: The Company strives to have contemporary, employee-friendly policies and a people oriented culture. MMFSL mitigates the risk of attrition by ensuring continuous analysis and action planning in all areas to constantly improve our people practices. Each year, we do a comprehensive study to identify employee pain areas and implement solutions around the identified areas. The compensation the Company paid is comparable with other companies of our class and size. Regular benchmarking is done to understand the variances. Regular connections between business managers and HR ensure that employee concerns are addressed proactively to reduce regrettable attrition. The Company also invests in training and upskilling our workforce.

Information technology risk

With the rise of technology-dependent services, it is critical to keep any technology and cyber risks under check and keep them to an acceptable level.

Approach: We treat IT risks using a multipronged approach that includes periodic testing of internal controls, conducting periodic simulations and drills to check readiness, using backups that are enabled with ransomware protection, and continuous threat hunting and monitoring using AI and ML-enabled technology solutions. The Company also uses multiple cyber security tools for vigilant monitoring, audit logging, suspicious activity reporting, and prevention of unauthorised access. The Company also uses secure and multi-factor authentication for system resources, conducts continuous data replication at periodic intervals with a fall-back DR site, and holds cyber risk insurance to minimise the impact.

Emerging risk

Emerging risks encompass geopolitical developments, widespread economic stress scenarios, pandemics, etc,. which may have impacts on societies and economies worldwide. Unprecedented stress events (e.g., COVID-19) rattle the usual functioning of the business for protracted time periods, adversely disrupting the macroeconomic environment.

Approach: Our conservative capital structure policies ensure that our Company always remains adequately capitalised. The liquidity chest ensures that such shocks can be absorbed without impacting our credit rating or debt servicing capability. Our reach ensures we are always connected with our customers during challenging times. Our Business Continuity Plans and processes ensure the business keeps running with adequate security measures.

Market risk

Market risk is the risk of losses arising from fluctuations in interest rates, credit spreads, foreign currency rates, equity prices, commodity prices, and other factors, such as market implied volatility, that may lead to a reduction in earnings, economic value, or both.

Approach: Our Company is safeguarded against any market risk owing to its prudent approach of continuously maintaining and monitoring market-linked securities, as per internal and regulatory guidelines.

Climate risk

The risk from climate change may involve environmental degradation, rising sea levels, and shifts in weather patterns that threaten food production, the impact of which is global in scope and unprecedented in scale. The risk from climate change may also entail irregular weather conditions, such as sporadic monsoons, which significantly affect the economic growth in the Indian context. 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. Our carbon footprint also poses a risk in terms of our decreased rating on the ESG front.

Approach: Our Company has been working towards identifying frameworks to assess and keep track of the progression of seasons and climate change and how the adverse impact of such climate change on the business can be reduced. This involves identifying and mapping sustainability and climate change risks for inclusion in the risk register. With new-age emission norms being rolled out and the changing preferences of consumers for green vehicles, our Company is focusing on financing environment-friendly CNG and electric vehicles. Our Company has been disclosing its environmental performance and strategies to identify climate risks and opportunities on international non-financial reporting platforms, viz., CDP (Carbon Disclosure Project) and DJSI (Dow Jones Sustainability Indices) portals. These disclosures imply the transparent nature of MMFSL towards its key stakeholders, commitment, and a strong sense of responsibility towards the environment. MMFSL has achieved its milestone of formulating its first TCFD (Task Force on Climate-related Financial Disclosures) report for the current fiscal year. The TCFD report is complemented by the CRA (Climate Risk Analysis) report, which would further help MMFSL to foresee the risks arising through climate change to our Company's operations, assets, and financial performance and how to tackle them. Being a service sector organisation, our major source of emissions comes from usage of grid electricity. We aim to explore opportunities to install solar facilities at our major branches. Simultaneously, we are continuing to replace obsolete technologies with new and updated technologies with more energy-efficient alternatives, including BLDC fans, 5-star-rated air conditioning, and LED lighting. We have also positioned our services to catalyse the green transition and increased lending of environmentally friendly transportation solutions, which include 3-wheel commercial EVs, 4-wheel EVs, and CNG-fueled vehicles. Furthermore, we have been involved in various afforestation programmes, which is in line with the country's ambition to increase the forest cover by up to 33% to support carbon sink and carbon sequestration.

Material developments in human resources

At Mahindra Finance, our employees form the bedrock of all initiatives. It is with this deep-rooted philosophy that HR policies are conceived and implemented, making for an employee-centric approach.

7,452
New recruits

2,71,063
Training hours

26,662
Total employees

We believe in providing a positive work environment that fosters growth and learning. As part of our unwavering commitment to fostering an inclusive workplace, we have taken significant strides to implement best-in-class practices that promote diversity, equity, and inclusion throughout our organisation. We strive to create an environment that respects and appreciates the unique contributions of each employee. We prioritise building diverse teams and ensure that every voice is heard, valued, and taken into consideration when making decisions that shape our Company's future.

To keep our sales team motivated and engaged, we designed market-driven business rewards, which received immense appreciation from the employees and people managers for driving the overall performance of the organisation.

Our commitment to exceptional customer service led to the launch of the Customer Service Excellence (CSE) programme in May 2023. This initiative equips our front-line staff, the backbone of our customer interactions, with the knowledge, skills, and tools they need to excel.

Transformational leadership development programme:
This programme targets high-potential senior managers and equips them with the skills and mindset to become future leaders within the organisation. Spanning a year (February 2023 - January 2024), the initiative focuses on nurturing an "Evolved Style of Leadership" through a rich learning experience.

MMFSL's CPC 0.5 initiative aimed to streamline customer onboarding by digitising, standardising, and centralising the loan disbursement process. To ensure a smooth transition for employees in Operations and Accounts, a comprehensive training programme, CPC 0.5 Training Intervention, was rolled out.

MMFSL has launched a strategic partnership with Manipal Academy of BFSI to offer a specialised business training programme called 'Prarambh' exclusively for women candidates. This programme aims to provide women with a pathway to careers in the financial services sector. The first batch of 38 candidates underwent a 30-day certification course focusing on sales and finance.

Achievements

We have been certified as a Great Place to Work (GPTW) for millennials by the Great Place to Work Institute. We are honoured to receive this certification, and we remain committed to continuously improving our workplace practices and experiences. In addition, Mahindra Finance has been recognised among:

- India's Best Companies to Work for 2023: Top 100
- Best in industry: NBFC

We have also received - 'Best Place to Work in India' by Ambition Box and 'Happiest Workplace for Women', awarded by India Today.

Information technology

The field of Information Technology is constantly evolving, leading to a significant transformation in the way customers interact with businesses. As digital leaders, it is imperative to act swiftly and provide effective solutions that not only cater to present needs but also anticipate future scenarios. Digital technology has transitioned from being just a business channel to becoming the very core of a business itself. Overcoming obstacles related to processes and mindsets is vital to achieving seamless remote customer service, doorstep product delivery, and digital sales.

Enhancing digital reach

To empower our employees, customers, and stakeholders, we are offering robust digital alternatives through a redesigned unified app for customer acquisition, underwriting, and collection processes. These tools complement the traditional reliance on physical appraisal and building customer relationships at the local level. Embracing the shift from conducting business digitally to becoming digitally-led businesses is now an integral part of our organisational strategy.

Our focus on mobile technology has made our mobile app a crucial channel for various aspects of customer service, brand loyalty, customer retention, new customer acquisition, and revenue generation. The MF Customer app, available in 11 languages, allows customers to manage loan accounts, make EMI payments, apply for vehicle loans, and access other services. In the fiscal year 2023, app users increased by 40%, reaching 8.7 lakh users, and collections from the app doubled. Additionally, we are developing a dealer app to provide essential business information to our partners and salespeople across India.

Leveraging technology

Our digital initiatives extend across different segments and products, including auto loans, pre-owned car loans, leasing, and SMEs. The introduction of 'OneApp' has equipped our on-field employees with decision-making capabilities through digital intervention, enhancing collection efficiency and transforming our business digitally. The 'Used Car Digi Loans' initiative, in collaboration with industry-leading brands, offers customers personalised loan offers from Mahindra Finance, expediting purchasing decisions and improving customer satisfaction.

We prioritise enhancing our core operations by adopting cloud-based loan origination and management systems and utilising advanced API platforms for scalable transactions. Digitalisation has streamlined loan processing while still maintaining strict checks. Leveraging data sciences and artificial intelligence, we utilise business intelligence dashboards and machine learning models for strategic initiatives in lending, retention, and business expansion.

In terms of risk management, we align our processes with ISO 27001:2013 and the COSO framework to minimise risks. We conduct periodic risk assessments, employ a defence-in-depth strategy, and leverage technology, monitoring, and audits to mitigate risks. Data privacy practices are actively adopted in line with government initiatives on data privacy.

Internally, we have established robust controls to safeguard assets and ensure operational excellence. Multiple policy frameworks are in place to control business processes, and Risk and Control dashboards are periodically updated for organisation processes. Internal auditors conduct audits annually, ensuring compliance with defined controls and regulatory frameworks.

Internal control systems and their adequacy

We have established an adequate internal control mechanism to safeguard all our assets and ensure operational excellence. The mechanism also meticulously records all transaction details and ensures regulatory compliance. We have multiple policy frameworks to ensure adequate controls on business processes. Further, Risk and Control dashboards have been defined and are periodically updated for all important operational processes. At periodic intervals, the management team and statutory auditors ensure that the defined controls are operative. The Mahindra Group has a dedicated team of internal auditors to conduct an internal audit. Every year, this team defines the audit agenda for the year, which is implemented after approval from the Audit Committee. Reputed audit firms also ensure that all transactions are correctly authorised and reported following the relevant regulatory framework. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated.

Cautionary statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effects of economic and political conditions, in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Corporate Governance Report

CORPORATE GOVERNANCE PHILOSOPHY

Your Company adheres to the highest standards of governance. Your Company is committed to ethical values, sustainable business practices, driving positive change in the areas in which it operates and committed to transparency in all its dealings and creating shared value for all its stakeholders.

Your Company places high emphasis on empowerment, integrity and diversity to generate long-term value for its stakeholders and retain investor trust. The governance processes and practices ensure that the interest of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organisation. It is a firm conviction of the Company that good Corporate Governance practices are powerful enablers, which infuse trust and confidence, that attract and retain financial and human capital.

Your Company has an active, experienced, diverse and a well-informed Board. Through the governance mechanism in the Company, the Board, along with its Committees, adopts best environmental, social and governance practices that support ethical leadership, sustainability and good corporate citizenship.

Your Company is in compliance with the Corporate Governance requirements as mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in letter and in spirit. A Report on compliance with the Code of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March 2024 (year under review) and developments up to the date of this report are given below

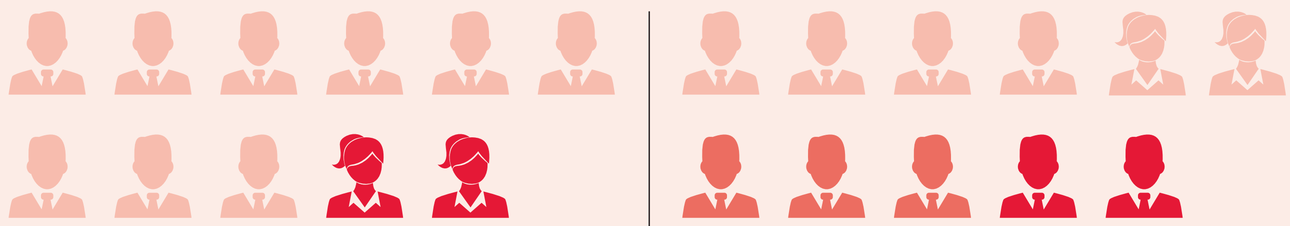
BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, as amended from time to time.

The Board of your Company comprised eleven Directors as on 31st March 2024, and ten Directors as on date of this Report. As on the date of the report, the Company has a Non-Executive Non-Independent Chairman, 1 Executive Director, 2 Non-Executive Non-Independent Directors and 6 Independent Directors [including 2 (two) Women Independent Directors].

Board Composition as on 31st March 2024

Board-Demographics and Diversity



9 — 82% Men

2 — 18% Women

6 — 55% Independent Directors

3 — 27% Non- Executive Non-Independent Directors

2 — 18% Executive Directors

59 Average Director age as of 31st March 2024	**98%** Average attendance rate at Board meetings	**6.6 years** Average tenure of Independent Directors As on 31st March 2024	**8 out of 9** Committee Chairpersons are Independent Directors

All the Directors have strong academic background and possess rich experience in general corporate management, banking, finance, economics, marketing, digitisation, analytics, strategy formulation and other allied fields that allow them to contribute effectively by actively participating in the Board and Committee Meetings, providing valuable guidance and expert advice to the Board and the Management and enhancing the quality of Board's decision making process.

Detailed profile of the Directors is available on the Company's website at the web-link: https://www.mahindrafinance.com/about-us/management

COMPOSITION OF THE BOARD

Composition and other details of Board of Directors as on 31st March 2024

Dr. Anish Shah

DIN - 02719429

Non-Executive Non-Independent Director & Chairman

Nationality	USA (OCI Card holder, resident of India)
Age	54
Qualifications and other details in brief	Dr. Anish Shah holds a PhD from Carnegie Mellon's Tepper School of Business, where his doctoral thesis was in the field of Corporate Governance. He also received a Master's degree from Carnegie Mellon and has a post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has received various scholarships, including the William Latimer Mellon Scholarship, Industry Scholarship at IIMA, National Talent Search and Sir Dorabji Tata Trust..
Date of Appointment on Board	18th March 2016
Tenure on Board	~8 years
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Limited	Managing Director & CEO
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Chairman
Mahindra Logistics Limited	Non-Executive Non-Independent Chairman
Mahindra Lifespace Developers Limited	
Tech Mahindra Limited	Non-Executive Non-Independent Director
Mahindra Holiday & Resorts Limited	
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil

Mr. Ramesh Iyer

DIN - 00220759

Executive Director - Vice Chairman & Managing Director

Nationality	Indian
Age	65
Qualifications and other details in brief	Mr. Ramesh Iyer holds a Bachelor's degree in Commerce and a Master's degree in Business Administration.
Date of Appointment on Board	30th April 2001
Tenure on Board	~23 years
Term Ending Date	29th April 2024
Shareholding in Company	18,13,750 (0.15%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Executive Director - Vice Chairman & Managing Director
NOCIL Limited	Independent Director
Other Directorships*	7
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 5

Mr. Raul Rebello

DIN - 10052487
Executive Director and MD & CEO - Designate

Nationality	Indian
Age	46
Qualifications and other details in brief	Mr. Raul Rebello is a Post Graduate in Management from the Goa Institute of Management.
Date of Appointment on Board	1st May 2023
Tenure on Board	~1 year
Term Ending Date	30th April 2028
Shareholding in Company	355 (0.000029%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Executive Director and MD & CEO - Designate (Currently - Managing Director and CEO)
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil

Mr. C. B. Bhave

DIN - 00059856
Independent Director

Nationality	Indian
Age	73
Qualifications and other details in brief	Mr. C. B. Bhave holds Bachelor's degree in Electrical Engineering. He started his career in the Indian Administrative Service (IAS) in 1975
Date of Appointment on Board	3rd February 2015
Tenure on Board	~9 years
Term Ending Date	2nd February 2025
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Avenue Supermarts Limited	
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1 Member: 3

Mr. Dhananjay Mungale

DIN - 00007563
Independent Director

Nationality	British (OCI Card holder, resident of India)
Age	70
Qualifications and other details in brief	Mr. Dhananjay Mungale has completed his Bachelor's in Commerce and Law from the University of Mumbai and is an Associate Member of the Institute of Chartered Accountants of India.
Date of Appointment on Board	24th July 2014
Tenure on Board	~10 years&
Term Ending Date	23rd July 2024
Shareholding in Company	12,500 (0.001%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Mahindra Logistics Limited	
Tamilnadu Petroproducts Limited	
NOCIL Limited	
NGL Fine Chem Limited	
Other Directorships*	3
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 3 Member: 7

Mr. Diwakar Gupta

DIN - 01274552
Independent Director

Nationality	Indian
Age	70
Qualifications and other details in brief	Mr. Diwakar Gupta is a post-graduate in Physics from the University of Delhi and a graduate with Honours in Physics from St. Stephen's College, New Delhi.
Date of Appointment on Board	1st January 2023
Tenure on Board	~1 year
Term Ending Date	31st December 2027
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Mahindra Holidays & Resorts India Limited	
Other Directorships*	4
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 3 Member: 4

Mr. Milind Sarwate

DIN - 00109854
Independent Director

Nationality	Indian
Age	64
Qualifications and other details in brief	Mr. Milind Sarwate is a Chartered Accountant, Cost Accountant, Company Secretary, and a CII-Fulbright Fellow (Carnegie Mellon University, USA). He has been awarded ICAI CFO Award, CNBC TV-18 CFO Award & CFO India Hall of Fame induction.
Date of Appointment on Board	1^{st} April 2019
Tenure on Board	5 years
Term Ending Date	31^{st} March 2029^
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Asian Paints Limited	
Sequent Scientific Limited	
FSN E-Commerce Ventures Limited	
Matrimony.com Limited	
CEAT Limited	
Other Directorships*	3
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 4 Member: 10

Ms. Rama Bijapurkar

DIN - 00001835
Independent Director

Nationality	Indian
Age	67
Qualifications and other details in brief	Ms. Rama Bijapurkar holds a B.Sc. (Hons) degree in physics from the University of Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. Past employment includes McKinsey & Company, MARG Marketing and Research Group (now AC Nielsen India) and Mode Services (now TNS India).
Date of Appointment on Board	24^{th} July 2014
Tenure on Board	~10 years&
Term Ending Date	23^{rd} July 2024
Shareholding in Company	30,000 (0.002%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Sun Pharmaceutical Industries Limited	
VST Industries Limited	
Gokaldas Exports Limited	
Apollo Hospitals Enterprise Limited	
Cummins India Limited	
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2 Member: 6

Dr. Rebecca Nugent

DIN - 09033085
Independent Director

Nationality	USA
Age	47
Qualifications and other details in brief	She received her PhD in Statistics from the University of Washington, her M.S. in Statistics from Stanford University, and her B.A. in Mathematics, Statistics and Spanish from Rice University.
Date of Appointment on Board	5^{th} March 2021
Tenure on Board	~3 years
Term Ending Date	4^{th} March 2026
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil

Mr. Amarjyoti Barua

DIN - 09202472
Non-Executive Non-Independent Director

Nationality	Indian
Age	46
Qualifications and other details in brief	Mr. Amarjyoti Barua holds a Bachelor's degree in Economics and a Master's degree in Business Administration.
Date of Appointment on Board	28^{th} July 2023
Tenure on Board	8 months
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: 1

Mr. Ashwani Ghai	
DIN - 09733798 Non-Executive Non-Independent Director	
Nationality	Indian
Age	59
Qualifications and other details in brief	Mr. Ashwani Ghai is a post-graduate in Economics, PGEP from IIM Ahmedabad & Fellow of the Insurance Institute of India (FIII).
Date of Appointment on Board	23rd June 2023
Tenure on Board	9 months
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director, representing Life Insurance Corporation of India holding 9.89% of equity shares of the Company as on 31st March 2024.
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil

Notes:

* Excludes Directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act.

** Committees considered are Audit Committee and Stakeholders Relationship Committee including in MMFSL. In the Committee details provided, Committee Membership(s) includes Chairmanship(s).

& Tenure has been considered w.e.f. 1st April 2014, in line with statutory guidelines for Independent Directors.

^ Mr. Milind Sarwate has been re-appointed as an Independent Director by the shareholders at their 33rd Annual General Meeting held on 28th July 2023 for a second term of 5 consecutive years commencing from 1st April 2024 to 31st March 2029.

CORE SKILLS/ EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's business and sector(s) as required collectively to function effectively and those actually available with the Board during FY2024, are given below:

Skills	Brief description of skill sets required in Board in context of business of the Company	Dr. Anish Shah	Mr. Ramesh Iyer	Mr. Raul Rebello	Mr. C. B. Bhave	Mr. Dhananjay Mungale	Mr. Milind Sarwate	Ms. Rama Bijapurkar	Dr. Rebecca Nugent	Mr. Amarjyoti Barua	Mr. Ashwani Ghai	Mr. Diwakar Gupta
Business Experience	• Established leadership skills in strategic planning, succession planning, driving change and long-term growth and guiding the Company towards its vision, mission and values. • Critically analysing complex and detailed information and developing innovative solutions and striking a balance between agility and consistency.	√	√	√	√	√	√	√	√	√	√	√
	• Expertise in the field of Banking and Financial Services.								-			
Financial Experience and Risk Oversight	• Understanding of Finance and Financial Reporting Processes.								√			
	• Risk oversight comprising ability to understand and oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk.	√	√	√	√	√	√	√	-	√	√	√

Skills	Brief description of skill sets required in Board in context of business of the Company	Dr. Anish Shah	Mr. Ramesh Iyer	Mr. Raul Rebello	Mr. C. B. Bhave	Mr. Dhananjay Mungale	Mr. Milind Sarwate	Ms. Rama Bijapurkar	Dr. Rebecca Nugent	Mr. Amarjyoti Barua	Mr. Ashwani Ghai	Mr. Diwakar Gupta
Technology and Innovation	• An appreciation of emerging trends in Banking and Financial services across the globe. • Expertise in digital and robotic innovation in the field of Finance and Investments. • Ability to visualise future trends and devise strategies for adoption.	√	√	√*	√	-	√	√	√	√	√	√
Governance and Regulatory Oversight	• Devise systems for compliance with a variety of regulatory requirements. • Reviewing compliance and governance practices for a long term sustainable growth of the Company and protecting stakeholders' interest.	√	√	√	√	√	√	√	-	√	√	√
Consumer Insights and Marketing Exposure (mainly rural and semi-urban markets)	• Ability in developing strategies to increase market share through innovation, build better brand experience for customers, improve prospective customer engagement levels and help establish active customers become loyal brand followers.	√	√	√	√	√	√	√	√	√	√	√

* Partly for digital and robotic innovation.

CHANGES IN BOARD MEMBERS AND KEY MANAGERIAL PERSONNEL ("KMP") DURING FY2024 AND TILL THE DATE OF THIS REPORT

The Board, as a part of its succession planning, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The following changes in the Board composition were recommended by the Nomination and remuneration Committee ("NRC") and approved by the Board of Directors of the Company during the year under review:

Board Member	Changes in FY2024	Effective date and Period
Mr. Raul Rebello*	Appointed as Whole-time Director and KMP, designated as "Executive Director and MD & CEO Designate".	w.e.f. 1st May 2023 to 29th April 2024
	Appointed as the Managing Director and KMP, designated as "Managing Director and CEO".	w.e.f. 30th April 2024 to 30th April 2028
Mr. Siddhartha Mohanty	Resigned as Non-Executive Non-Independent Director.	w.e.f. 12th May 2023
Mr. Ashwani Ghai*	Appointed as a Non-Executive Non-Independent Director, liable to retire by rotation.	w.e.f. 23rd June 2023
Mr. Amarjyoti Barua*	Appointed as a Non-Executive Non-Independent Director, liable to retire by rotation.	w.e.f. 28th July 2023
Mr. Amit Kumar Sinha	Retired by rotation at Annual General Meeting held on 28th July 2023, and while being eligible, did not seek re-appointment.	Ceased to be Director w.e.f. 28th July 2023
Mr. Milind Sarwate	Re-appointed as an Independent Director for a second term.	w.e.f. 1st April 2024 to 31st March 2029
Mr. Ramesh Iyer	Superannuated from the position of Vice-Chairman and Managing Director of the Company & ceased to be the Director and KMP of the Company. Consequently, he ceased to be member of all the Committees w.e.f. 29th April 2024.	w.e.f. 29th April 2024
Mr. Vijay Kumar Sharma#	Appointed as an Additional Director (Independent and Non-Executive).	w.e.f. 15th May 2024 to 14th May 2029

* The shareholders of the Company at their Annual General Meeting held on 28th July 2023 had approved the appointment, by passing a ordinary resolution.

\# Basis recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have subject to the approval of the members of the Company, approved the appointment of Mr. Vijay Kumar Sharma (DIN: 02449088) as an Additional Director (Independent and Non-Executive) for a 1st term of 5 consecutive years with effect from 15th May 2024 upto 14th May 2029, not liable to retire by rotation at their Board meeting held on 23rd April 2024.

In compliance with RBI Circular No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022, the details of change in composition of the Board during the previous financial year i.e., FY2023 is given below:

Board Members	Changes in FY2023	Effective date / Period
Mr. Siddhartha Mohanty*	Appointed as a Non-Executive Non-Independent Director, liable to retire by rotation.	w.e.f. 1st April 2022
Mr. Amit Raje, Whole-time Director	Retired by rotation at Annual General Meeting held on 28th July 2022, and while being eligible, did not seek re-appointment.	Ceased to be Director w.e.f. 28th July 2022
Mr. Diwakar Gupta*	Appointed as an Independent Director.	w.e.f. 1st January 2023 (for a period of five years)

* The shareholders of the Company by way of postal ballot, had approved the appointment of Mr. Siddhartha Mohanty and Mr. Diwakar Gupta with requisite majority on 15th March 2022 and 30th December 2022, respectively.

Directors retiring by rotation at ensuing AGM

In terms of Section 152 of the Act, Dr. Anish Shah (DIN: 02719429), Non-Executive Non-Independent Director is liable to retire by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

The details of Dr. Anish Shah as required to be disclosed under Regulation 36(3) of the Listing Regulations i.e., brief resume, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, name of the listed entities in which the director holds directorships, membership, shareholding, etc. is provided in the notice of the 34th Annual General Meeting of the Company.

Pecuniary relationship with Directors

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that the eligible Non-Executive Directors would be entitled to under the Act, none of the Directors have any other pecuniary relationships or transactions with the Company, its Subsidiaries or Associates, or their Promoters or its Directors, during the two immediately preceding financial years or during the current financial year. None of the Directors of the Company are inter-se related to each other.

Management Team

The Management of the Company comprises Senior Executives from different functions headed by the Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of Management to ensure that the long-term objectives of enhancing stakeholders' value are met.

The Senior Management of your Company have made disclosures to the Board confirming that there have been no material financial and commercial transactions between them and the Company during FY2024 which could have potential conflict of interest with the Company at large.

Board Meetings and attendance thereat

The Board of Directors met five times during the year under review i.e., on 28th April 2023, 28th July 2023, 27th October 2023, 14th December 2023 and 30th January 2024 as against the statutory requirement of at least four meetings. The requisite quorum was present for all the Meetings.

The maximum time gap between any two Board meetings was not more than one hundred and twenty days. These Meetings were well attended.

The details of attendance of Directors at the Board Meetings held during the financial year under review and the 33rd Annual General Meeting held on 28th July 2023 is as under:

Name of Directors	AGM, 28th July 2023 held via VC	Board Meetings in FY2024# 1 28th April 2023	2 28th July 2023	3 27th October 2023	4 14th December 2023	5 30th January 2024	Board Meetings held*	Board Meetings Attended	% of attendance of a Director across all Board meetings
Dr. Anish Shah	√	●	●	●	√	●	5	5	100%
Mr. Ramesh Iyer	√	●	●	●	●	●	5	5	100%
Mr. Raul Rebello	√	NA	●	●	●	●	4	4	100%
Mr. C. B. Bhave	√	●	●	√	√	●	5	5	100%
Mr. Dhananjay Mungale	√	●	●	●	√	●	5	5	100%
Mr. Milind Sarwate	√	●	●	●	√	●	5	5	100%
Ms. Rama Bijapurkar	√	●	●	●	√	●	5	5	100%
Dr. Rebecca Nugent	√	√	√	√	√	√	5	5	100%
Mr. Amit Kumar Sinha	LOA	●	●	NA	NA	NA	2	2	100%
Mr. Siddhartha Mohanty	NA	LOA	NA	NA	NA	NA	1	0	0%
Mr. Diwakar Gupta	√	●	√	●	√	●	5	5	100%
Mr. Ashwani Ghai	√	NA	●	●	√	●	4	4	100%
Mr. Amarjyoti Barua	NA	NA	NA	●	√	●	3	3	100%
% of attendance of Board as a whole at each meeting	91%	90%	100%	100%	100%	100%			

√ - Attended through video conference | ● - Attended in-person | LOA - Leave of absence

All the meetings of the Board held during FY2024 were conducted in physical form with an option to the Directors to participate via VC.

* Attendance and percentage are calculated for meetings attended during the Director's tenure.

COMPLIANCE WITH DIRECTORSHIP LIMITS

On the basis of disclosures received from the Directors, it is confirmed that, as on 31st March 2024, none of the Directors of the Company:

i. Hold Directorship positions in more than twenty companies (including ten public limited companies and seven listed companies); and

ii. Is a member of more than ten committees and/or Chairperson of more than five committees, across all the Indian public limited companies in which they are Directors;

For the purpose of determination of committee position limits, chairpersonship and membership positions of the Audit Committee ("AC") and the Stakeholders Relationship Committee ("SRC") have only been considered in terms of Regulation 26 of the Listing Regulations.

Mr. Ramesh Iyer, Vice Chairman & Managing Director, serves as an Independent Director in one listed entity. Mr. Raul Rebello, Executive Director and MD & CEO - Designate, does not serve as an Independent Director in any company.

The above compliances were met throughout the year.

CERTIFICATE REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

A certificate issued by M/s. Makarand M. Joshi & Co., Company Secretaries, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Listing Regulations, certifying that none of the Directors on the Board of the Company as on 31st March 2024, have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, The Reserve Bank of India, or any such Statutory Authority as attached at the end of the Corporate Governance Report as **"Annexure A"**.

BOARD CONFIRMATION REGARDING INDEPENDENCE OF THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the disclosures received from all the Independent Directors, the Board, after taking these declarations/ disclosures on record, opined that the Independent Directors fulfil the conditions of independence as prescribed under the Act and the Listing Regulations, are persons of integrity, possess the relevant expertise, proficiency, and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management.

None of the Independent Directors of the Company have resigned during the financial year under review.

MEETINGS OF INDEPENDENT DIRECTORS

Two meetings of Independent Directors were held on 24th August 2023 and 27th March 2024, vis-a-vis the Statutory mandate of holding minimum one meeting in a year. These Meetings were conducted without the presence of the Non-Independent Directors and members of the Management wherein they put forth their views and discussed the matters relating to Company's affairs.

At these Meetings, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, assessed the quality, quantity, and timeliness of the flow of information between the Management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform and discharge its duties. Both these Meetings were well attended by the Independent Directors. Suggestions provided by them were well received by the management for implementation.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company has adopted a structured programme for orientation for all Independent Directors at the time of their joining so as to familiarise them with the Company - its operations, business, industry and environment in which it functions and the regulatory environment applicable to it.

Pursuant to the provisions of the Act and Regulation 25(7) of the Listing Regulations, the Company has during the year conducted familiarisation programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors, which inter alia, included the following:

- Quarterly reviews including Business performance update and Financial review;
- Presentations made by Internal Auditors and Statutory Auditors;
- Updates on Risk Management: identification, mitigation and management of risk including credit risk, operation risks, emerging risks, etc.;
- Review of Strategic Investments and Business Opportunities of the Company;
- Industry Outlook, Competition update;
- Update on Information Technology Framework and strategy including Digitalization initiatives, IT Outsourcing activities, IT related policies and audit reports;
- Strategy/Performance and investments made by subsidiary companies;
- Implementation of Liquidity Risk Management (LRM) framework and Review of LRM & Asset Liability Management (ALM) returns;
- Reviewing of RBI Inspection Report;
- Statutory/Regulatory updates, impact, actionable and implementation status at Board and various Committees of the Board;
- Briefing on CSR activities, BRSR performance and ESG initiatives;
- Update on Company's remuneration policies, Code of Conduct and Succession Planning for Directors, KMPs and Senior Management;
- Formulation, amending and reviewing of various policies at the Board/Committee level;
- News and articles related to the Company;
- Circulating press releases, disclosures made to Stock Exchanges;
- Prevention of Insider Trading Regulations, SEBI Listing Regulations;
- Discussions on Internal Control over Financial Reporting, Internal Control Processes, Framework for Related Party Transactions, etc.;
- Updates on Roles, Rights and Responsibilities of Directors and Company's Policies.

Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programmes are available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program and are also given below:

Independent Directors	No. of Programmes/ Meetings attended		Time invested	
	During FY2024	From 1st April 2015 till 31st March 2024 (Cumulative)	During FY2024	From 1st April 2015 till 31st March 2024 (Cumulative)
Mr. C.B. Bhave	22	149	24 h: 53 m	188 h: 29 m
Mr. Dhananjay Mungale	25	157	25 h: 06 m	180 h: 39 m
Mr. Diwakar Gupta	22	26	24 h: 36 m	36 h: 13 m
Mr. Milind Sarwate	31	119	30 h: 35 m	133 h: 39 m
Ms. Rama Bijapurkar	18	120	20 h: 35 m	160 h: 22 m
Dr. Rebecca Nugent	14	38	11 h: 44 m	53 h: 37 m

BOARD PROCEDURES

The Board and its Committees meet at regular intervals to discuss and decide on the Company's business policies and strategies apart from statutory and other routine matters.

Overall strategic direction and periodical review of matters by the Board and its Committees

The Board provides the overall strategic direction and conducts structured reviews by itself or through its Committees, which comprehensively encompass all the facets of Company operations including periodical review of strategy and business plans, annual operating and capital expenditure budgets, loan disbursements, fund raising proposals, default in financial obligations, if any, NPA Position, LRM and ALM position, credit ratings, ESG initiatives including BRSR and CSR initiatives, investments and exposure limits, RBI Inspection reports, approval and adoption of quarterly/half-yearly/annual results, risk assessment and minimization procedures, stakeholder relationship matters, Policies, compliance report(s) of all laws applicable to the Company, as well as steps taken to rectify instances of non-compliances, if any, review of major legal issues, minutes of the Committees of the Board, major accounting provisions and write-offs, corporate restructuring, details of any joint venture or collaboration agreement(s), etc.

Information and presentations at Meetings

To enable the Board to discharge its responsibilities effectively and take informed decisions, Executive Directors apprise the Board at every quarterly Board Meeting on the overall performance of the Company, as well as the current market conditions including the Company's business and the regulatory scenario, followed by presentations by the Chief Financial Officer ("CFO") of the Company on Financial performance of the Company, its subsidiaries, and JVs. Functional and other updates are also presented to the Board on periodical basis.

Review of performance of subsidiaries

The Board is briefed on the operating and financial performance of the subsidiaries. The minutes of the Board meetings of the Company's subsidiary companies, business performance along with a statement of all significant transactions, arrangements entered into, and investments made by all the unlisted subsidiary companies are placed before the Board.

Further, observations/ supervisory concerns arising from inspection reports, if any, from regulators governing respective subsidiaries of the Company, penalties levied, if any, and impact of key regulatory changes are also placed before the Board for its review.

Notice of meetings and agenda

The Company sends the notice of the meetings accompanied by detailed agenda with notes setting out the business to be transacted at the Meeting(s) to each Director at least seven days before the date of the Board / Committee Meeting(s) except in case of shorter notice to transact urgent business. **During FY2024, the Company had sent the Board agendas 9 days prior to the Board meetings.** All the agenda items are supported by detailed notes, rationale for proposal, documents, and presentations, if any, to enable the Board to take informed decisions.

During FY2024, no Board meeting was held at a shorter notice.

The Company has a well-established framework for the meetings of the Board and its Committees which seeks to systematise the decision-making process at the Board and Committee meetings in an informed and efficient manner. A summary of all the proposals forming part of the agenda is circulated to the Board for ease of reference.

The key matters generally placed before the Board include the following:

Strategic, Finance and Operational matters	Statutory and Governance matters
• Reviewing and guiding the corporate strategy;	• Materially important show cause, demand, prosecution notices and penalty notices, if any;
• Business Partnerships;	• Any issue which involves possible public, or product liability claims of substantial nature;
• New products and Policies;	• Corporate Social Responsibility related matters;
• Quarterly/Half yearly /Annual consolidated and standalone results and financial statements of the Company;	• Quarterly compliance certificate with exceptions, if any, of regulatory or statutory compliances;
• Recommendation of Dividend;	• Overseeing risk management framework of the Company;
• Quarterly details of foreign exchange exposures and hedging;	• Appointment of Joint Statutory Auditors;
• Quarterly details on Loans/ Inter-Corporate Deposits given, Investments made, guarantees given or securities provided;	• Minutes of meetings of the Board and its committees along with the minutes of its subsidiaries and resolutions passed by circulation;
• Business performance along with performance of subsidiaries;	• Adoption/Amendment/Periodical reviews of policies as statutorily required and recommended by the Board Committees;
• Annual operating plans and capital budgets;	• Approval for re-constitution of Committees of Board and amendment to the terms of reference;
• Regular business/function updates;	• Significant transactions or arrangements by subsidiary companies;
• Appointment, re-appointment and remuneration of directors, key managerial personnel, senior management and succession planning;	• Statutory disclosures received from the directors and Senior Management;
• Change in signatories for various operational matters;	• Performance evaluation of the Board, its committees and each director;
• Noting of quarterly report on customer grievance redressal;	• Quarterly review of related party transactions and other related matters;
• Consideration of various matters flowing through various committees.	• Quarterly review of Complaints, if any, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ["POSH ACT"];
	• Quarterly returns on frauds monitoring system;
	• Noting of various returns/reports filed with the regulatory authorities/Stock Exchanges;
	• Annual review of the Internal Audit Report/ Action taken report provided by the Registrar and Transfer Agent.
	• Noting of RBI Inspection Report under Section 45N of the RBI Act 1934;

Frequency and Calendar of Meetings

The Board and Committee meetings were pre-scheduled, and a calendar of the meetings scheduled in Calendar Year 2024 & 2025 was sent to the Directors well in advance.

The frequency of meetings scheduled and held are higher than the statutory requirement to enable review of all Company matters at periodical intervals. Details are as under:

Nature of Meeting	Frequency of meeting as prescribed statutorily in a year	No. of Meetings held in FY2024
Board	4	**5**
Audit Committee	4	**7**
Nomination and Remuneration Committee	1	**3**
Stakeholders Relationship Committee	1	**2**
Risk Management Committee	2	**4**
Corporate Social Responsibility Committee	Not prescribed	**3**
Asset Liability Committee	Not prescribed	**4**
IT Strategy Committee	2	**5**
Digital and AI Committee (Voluntary Committee)	Not Applicable	**4**

Process for preparation of Agendas for Board and its Committees

The agenda of the Board and the Committee Meeting are prepared in consultation with the Chairman, MD, and the CFO. The Agenda proposals are also shared with the Chairpersons of respective Committees to seek their inputs before dispatch of Agenda. Members of the Board/Committees are encouraged to freely express their views on the agenda items and are assisted with necessary clarifications and information that they might need with respect to the agenda even prior to the meeting to enable meaningful participation at the meetings. Summary of Board/ Committee proposals is also shared prior to the meeting for easy reference.

Secured Electronic Board Portal

The Company has a secured Board portal which, inter-alia, provides a one stop and seamless solution for access and archival of Board / Committee meetings material for all the Directors.

Post meetings follow up procedure

An Action Taken Report on the key decisions taken/ suggestions made at Board and Committee Meetings is recorded with details of owner and Target date and update thereof is placed and discussed at the subsequent meetings of the Board and the Committees for its review.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

The Act and the Listing Regulations stipulate the evaluation of performance of the Board, its Committees, Individual Directors, and the Chairperson.

The Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

An annual performance evaluation exercise was carried in compliance with the applicable provisions of the Act, Listing Regulations, the Company's Code of Independent Directors and the criteria and methodology of performance evaluation approved by the Nomination and Remuneration Committee ("NRC") as under:

Evaluating body	Evaluatee	Broad criteria and parameters of evaluation	Process of evaluation
The Board, the NRC and the Independent Directors	The Board as a whole	Review of fulfilment of Board's responsibilities including Strategic Direction, financial reporting, risk management framework, ESG, Grievance redressal, succession planning etc., knowledge of industry trends, diversity of Board etc. and feedback to improve Board's effectiveness	Internal assessment through a structured and separate rating-based questionnaire for each of the evaluations. The evaluation is carried out on a secured online portal whereby the evaluators are able to submit their ratings and qualitative feedback, details of which are accessible only to the NRC Chairperson. The NRC also reviews the implementation and compliance of the evaluation exercise done annually. The results and outcome are evaluated, deliberated upon and noted by the Independent Directors, the NRC, and the Board at their respective meetings.
The Board	The Committees of the Board (separately for each Committee)	Structure, composition, attendance and participation, meetings of Committees, effectiveness of the functions handled, Independence of the Committee from the Board, contribution to decisions of the Board, etc.	
The Board, the NRC, and the Independent Directors	Independent Directors including those seeking re-appointment, Non - Independent Directors, and the MD (excluding the Director being evaluated)	Qualifications, experience, skills, independence criteria, integrity of the Directors; contribution and attendance at meetings; ability to function as a team and devote time, fulfilment of functions, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry, fairness and transparency demonstrated, adequacy resource staffing etc.	
The Board, the NRC and the Independent Directors	Chairperson	Skills, expertise, effectiveness of leadership, effective engagement with other Board members during and outside meetings, allocation of time provided to other Board members at the meetings and ability to steer the meetings, commitment, impartiality, ability to keep Shareholders' interests in mind, effective engagement with shareholders during general meetings etc.	

The questionnaires for performance evaluation are comprehensive and are in alignment with the guidance note on Board evaluation issued by Securities and Exchange Board of India ("SEBI"), vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017, and are in line with the criteria and methodology of performance evaluation approved by the NRC.

Outcome and results of the performance evaluation for FY2024

All the Directors of the Company as on 31st March 2024 had participated in the evaluation process. The Directors expressed their satisfaction with the Annual performance Evaluation process of Board & Committees. During the year under review, NRC ascertained and re-affirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors. The results of the Evaluation for the year under review were shared with the Board, Chairpersons of respective Committees and individual Directors.

It was noted that the meetings of the Board and Committees are well managed in terms of comprehensive updates sent well in advance, constructive participation and deliberations at the meetings led by the Chair, enabling Board and Committees to fulfil their statutory / review role and focus on Governance and Internal Controls. It was also noted that the Company, during the year under review facilitated familiarisation on cyber security, Prohibition of Insider Trading Regulations, BRSR framework and provided regular updates to the Board on all key matters.

The results of Evaluation showed high level of commitment and Engagement of Board, its various Committees and Senior leadership. Based on the outcome of the Evaluation for the year under review, the Board shall enhance its focus on providing strategic direction, digital initiatives, oversee regulatory matters and maintaining high standards of governance, to enhance value for all stakeholders while deepening its focus on ESG and risk management.

Based on the results of the evaluation, the Board has agreed on an action plan to further improve the effectiveness and functioning of the Board. The suggestions from previous evaluations were implemented during FY2024.

POLICY ON REMUNERATION OF DIRECTORS AND THE POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES OF THE COMPANY

Your Company has adopted the Policy on Remuneration of Directors and the Policy on Remuneration of Key Managerial Personnel, Senior Management, and other Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act, Scale Based Regulations notified by the Reserve Bank of India and Listing Regulations.

The Policy on Remuneration of Directors of the Company was amended on 23rd April 2024 basis the recommendation of the Nomination and Remuneration Committee ("NRC"), to inter-alia, align the same with existing legal provisions and introduce certain clauses.

The said Policies are uploaded on the website of the Company and can be accessed at https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

REMUNERATION TO DIRECTORS

The eligible Non-Executive Directors are paid remuneration in the form of sitting fees and commission, within the limits prescribed under the Act. The remuneration payable to eligible Non-Executive Directors is recommended by the NRC to the Board of Directors.

The NRC while deciding the basis for determining the remuneration to the eligible Non-Executive Directors, takes into consideration various relevant factors, including the overall compensation guidelines of the Mahindra Group pertaining to commission, current trends and practices in relevant industries, the market trends in terms of compensation levels, responsibilities undertaken by the Directors such as Chairpersonship/membership of Committees and their contribution in enhancing stakeholders' value resulting in overall growth of the Company, and such other factors as the NRC may deem fit.

The eligible Non-Executive Directors are paid sitting fees for attending meetings of the Board of ₹ 1 lakh per meeting, and Committees thereof as mentioned in the table below. Further the Board, considering the enhanced regulatory provisions, increased responsibilities of the directors and to recognize and reward the contribution made by the Independent Directors and the Non-Executive Directors, at its meeting held on 28th April 2023 revised the sitting fees payable to Independent Directors and Non-Executive Directors (not receiving remuneration from the Holding Company) for attending the Committee Meetings. Details of the existing and the revised sitting fees for the Committee Meetings is as under:

Meetings	Sitting Fees per meeting per Director (FY2023) (₹)	Revised Sitting fees w.e.f. 28th April 2023 (₹)
Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Asset Liability Committee, IT Strategy Committee and Committee for Strategic Investments	50,000	60,000
Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Digital and AI Committee	30,000	

The Company has not granted Stock Options to any of its Non-Executive Directors during the year under review.

None of the Non-Executive Directors received remuneration in excess of 50% of the total remuneration paid to all the Non-Executive Directors during the year ended 31st March 2024.

Remuneration of Executive Directors includes salary, perquisites, allowances, benefits, amenities, retirals, viz. superannuation, gratuity, provident fund and stock options. The remuneration of Directors is recommended by the NRC to the Board, within the overall limits approved by the Shareholders of the Company.

The NRC, while deciding the basis for determining the remuneration of the Executive Directors takes into consideration individual performance and business performance. The business performance is evaluated using a Balanced Score Card ("BSC") while individual performance is evaluated on Key Result Areas ("KRAs"). Both the BSC and KRAs are evaluated at the end of the financial year to arrive at the BSC rating of the business and performance rating of the individual. The performance pay is paid annually basis the Company and the individual performance.

Directors' remuneration for FY2024:

Executive Directors ("ED") (₹ in crore)

Name of the Directors	Salary	Perquisites and allowances	Performance Pay	Company's contribution to Funds #	Total	Contract Period	Notice Period
Ramesh Iyer, VC & MD	1.44	3.77	2.48	0.46	8.15	As MD designated as "Vice Chairman & Managing Director" for a period of 3 years with effect from 30th April 2021 to 29th April 2024.	3 months
Mr. Raul Rebello, ED and MD & CEO - Designate	0.76	1.08	1.83	0.23	3.90	ED and MD & CEO - Designate with effect from 1st May 2023 up to 29th April 2024 and as the MD designated as "Managing Director & CEO" with effect from 30th April 2024 to 30th April 2028	3 months

Aggregate of the Company's contribution to superannuation Fund and Provident fund

Notes:

a) None of the Executive Directors have received any amount as remuneration from the Subsidiaries of the Company during FY 2024.

b) RSUs and Performance Pay are performance linked. Other components are fixed. There is no provision for the payment of severance fees.

Details of ESOPs granted, vested, and exercised by Mr. Ramesh Iyer, VC and MD are given as under:

Date of grant	24th October 2018
Scheme	ESOS Scheme - 2010
No. of ESOPs granted	2,32,468^
Exercise Price	1,29,149 ESOPs at exercise price of ₹ 2 per share 1,03,319 ESOPs at exercise price of ₹ 50 per share*
Vesting period	Over 5 equal instalments, vesting annually
Vesting Conditions	Time based
No. of vested ESOPs exercised during FY2024	Nil
No. of ESOPs exercised up to 31st March 2024	1,29,150
No. of ESOPs outstanding (vested and exercisable) as on 31st March 2024	1,03,318

* ESOPs augmented by equal no. of Rights Options on account of Right Issue in the ratio 1:1 made in August 2020.

^ In addition to ESOPs granted on 24th October 2018, as shown in above table, 3,75,289 ESOPs which were granted earlier, have been fully vested and exercised by 31st March 2022. As on 31st March 2024, Mr. Ramesh Iyer holds 18,13,750 equity shares (0.15%) in the Company.

No ESOPs have been granted to Mr. Raul Rebello under ESOP Scheme 2010.

Details of RSUs granted on 26th October 2023 under RSU Plan 2023 to Executive Directors:

	Mr. Ramesh Iyer	Mr. Raul Rebello
No. of RSUs granted	24,397	17,376
Exercise Price	₹ 2 per share	
Vesting period	Over 3 equal instalments, vesting annually	
Vesting Conditions	Performance based (Individual & Company) Company Performance parameter includes Asset Quality, Cost control, Profit growth (PAT), Digital maturity, Environmental, Social & Governance (ESG) performance.	

None of the RSUs granted have been vested as on 31st March 2024.

Non-Executive Directors

(₹ in crore)

Name of the Directors	Sitting Fees for FY2024 (Gross)	Commission for the year ended 31st March 2023 paid in FY2024	Commission for the year ended 31st March 2024 provided as payable in the accounts of the Company for the year under review (₹ in crore)
Non-Executive Non-Independent Directors ("NED")			
Dr. Anish Shah	Nil	Nil	Nil
Mr. Amit Kumar Sinha	Nil	Nil	Nil
Mr. Siddhartha Mohanty#	Nil	0.31	0.04
Mr. Ashwani Ghai*	0.04	Nil	0.26
Mr. Amarjyoti Barua	Nil	Nil	Nil
Independent Directors ("ID")			
Mr. C.B. Bhave	0.17	0.33	0.36
Mr. Dhananjay Mungale	0.17	0.33	0.36
Mr. Milind Sarwate	0.21	0.33	0.36
Ms. Rama Bijapurkar	0.14	0.33	0.36
Dr. Rebecca Nugent	0.10	0.33	0.36
Mr. Diwakar Gupta$	0.15	0.08	0.35

\# Mr. Siddhartha Mohanty ceased to be a Non-Executive Director w.e.f. 12th May 2023.

* Mr. Ashwani Ghai has been appointed as Non-Executive Director w.e.f. 23rd June 2023 and the sitting fees for attending the Board Meeting has been paid to Life Insurance Corporation of India (LIC) and Commission would be paid to LIC.

$ Mr. Diwakar Gupta was appointed w.e.f. 1st January 2023 and hence the commission was paid on a proportionate basis for FY2023.

Considering the performance of the Company and significant contribution made by the Independent Directors, their chairmanships/memberships across the Committees, the board, basis the recommendation of NRC ,approved increase in the commission amount as given in the table above for FY2024.

During FY2024, the Company did not advance loans to any of its Directors, their relatives or any firms in which they are interested.

CODES OF CONDUCT

In compliance of Regulations 17(5) and 26(3) of the Listing Regulations, the Board has laid down Codes of Conduct for Board Members and for Senior Management and Employees of the Company ("Codes").

These Codes, as updated during the year have been posted on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director & CEO to this effect is enclosed at the end of this Report.

CEO & CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, Managing Director ("MD") and the Chief Financial Officer of the Company ("CFO") have jointly certified to the Board regarding the Financial Statements and internal controls relating to financial reporting for the year ended 31st March 2024.

The MD and the CFO also jointly give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

RISK MANAGEMENT FRAMEWORK

Risk management forms an integral part of the Company's business. As a lending institution, the Company is exposed to various risks that are related to its lending business and operating environment. Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. The risk management framework is based on assessment of all risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems. This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators.

The Risk Management structure includes identification of elements of risk, including those which in the opinion of the Board, may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. Through the Board approved Risk Management Policy, a risk conscious culture is led across the Company.

The Board of Directors monitor and manage the risks faced by the Company through its committees - the Risk Management Committee, the Asset Liability Committee and the Audit Committee.

The Risk Management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Report, forming part of this Annual report.

Web based Portal for ensuring compliances

The Company has a web-based portal for ensuring compliances with all applicable laws and statutory obligations. The said portal provides timely alerts and advisory to ensure compliances within stipulated timelines.

To mitigate compliance risk and to ensure timely dissemination and adherence to information on regulatory prescriptions and guidelines, the Company has put in place mechanism (circular Management process) to disseminate to the stakeholders regulatory guidelines with specific actionable emanating from the same for timely implementation.

COMMITTEES CONSTITUTED BY THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

Pursuant to RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, the CEO/ MD or the Executive Director (ED) should head the Asset Liability Committee. Hence all the other Committees of the Board, except Asset Liability Committee, are chaired and led by an Independent Director.

The composition, role and functioning of these Committees are in compliance with the applicable provisions of the Act, Listing Regulations and applicable RBI Directions. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Committee and IT Strategy Committee are also in consonance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (upto 19th October 2023), Master Directions - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, issued by the Reserve Bank of India and Internal Guidelines on Corporate Governance.

During the year under review, all the recommendations received from all its Committees were accepted by the Board.

Internal Guidelines on Corporate Governance

In accordance with the provisions of the Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, the Company has in place the Internal Guidelines on Corporate Governance and the same is also published on the website of the Company, for information of the stakeholders.

Summary of the 9 Committees and their constitution as on 31^{st} March 2024 in nutshell is as under:

Board

Audit Committee
Mr. C. B. Bhave - ID (C)
Mr. Dhananjay Mungale
Mr. Milind Sarwate
Ms. Rama Bijapurkar
Mr. Amarjyoti Barua
Mr. Diwakar Gupta

Nomination and Remuneration Committee
Mr. Dhananjay Mungale - ID (C)
Dr. Anish Shah
Mr. C. B. Bhave
Mr. Milind Sarwate
Mr. Diwakar Gupta

Stakeholders Relationship Committee
Ms. Rama Bijapurkar - ID (C)
Mr. Ramesh Iyer
Mr. C. B. Bhave

Corporate Social Responsibility Committee
Mr. Dhananjay Mungale - ID (C)
Mr. Ramesh Iyer
Ms. Rama Bijapurkar

Risk Management Committee
Mr. C. B. Bhave - ID (C)
Mr. Ramesh Iyer
Mr. Dhananjay Mungale
Ms. Rama Bijapurkar
Mr. Milind Sarwate
Mr. Diwakar Gupta

IT Strategy Committee*
Mr. Milind Sarwate - ID (C)
Mr. Ramesh Iyer
Mr. C. B. Bhave
Dr. Rebecca Nugent
Mr. Amarjyoti Barua

Asset and Liability Committee*
Mr. Ramesh Iyer- ED (C)
Mr. Dhananjay Mungale
Mr. Milind Sarwate
Mr. Diwakar Gupta
Mr. Raul Rebello

Digital and AI Committee (Voluntary Initiative) *
Dr. Rebecca Nugent - ID (C)
Mr. Ramesh Iyer
Mr. Milind Sarwate
Mr. Raul Rebello
Mr. Amarjyoti Barua

Committee for Strategic Investments
Mr. Dhananjay Mungale - ID (C)
Dr. Anish Shah
Mr. Ramesh Iyer
Mr. Milind Sarwate

ID = Independent Director
ED = Executive Director
(C) = Chairperson
*In addition to the Board members, the said Committee includes employees who are part of the Senior Management and external consultant, as Members of the Committee, details of which are mentioned in this report.

Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise. The Chairman of the Audit Committee is an Independent Director and was present at the 33^{rd} AGM of the Company to address the Shareholders' queries pertaining to Annual Accounts of the Company.

Meetings of Audit Committee

During FY2024, the Audit Committee met seven times i.e., on 28^{th} April 2023, 28^{th} July 2023, 22^{nd} September 2023, 27^{th} October 2023, 7^{th} November 2023, 30^{th} January 2024 and 27^{th} March 2024. Quorum was present at all Meetings and the gap between two Meetings did not exceed 120 days.

The Audit Committee also periodically meets the Statutory Auditors and Internal Auditors of the Company without presence of the Management of the Company to assess the effectiveness of the audit processes and address any concerns.

Audit Committee Constitution:

Composition	Statutory Requirement	No. of members as on 31^{st} March 2024
Total Members	Minimum 3 Directors	6
Independent Directors	Minimum 2/3 Members	5 (more than $2/3^{rd}$)
Non-Executive Non-Independent Director	-	1

Audit Committee composition as at 31^{st} March 2024 and attendance at the meetings held during FY2024

Audit Committee Members	Category	Date of appointment	Date of cessation	Attendance and Meetings	% Attendance
Mr. C. B. Bhave (Chairperson)	ID	10.02.2015	-	7 out of 7	100%
Mr. Dhananjay Mungale	ID	17.02.2000	-	7 out of 7	100%
Mr. Milind Sarwate	ID	09.04.2019	-	7 out of 7	100%
Ms. Rama Bijapurkar	ID	27.10.2008	-	6 out of 7	85.71%
Mr. Amit Kumar Sinha	NED	02.05.2022	28.07.2023	1 out of 2	50%
Mr. Diwakar Gupta	ID	03.02.2023	-	7 out of 7	100%
Mr. Amarjyoti Barua	NED	27.10.2023	-	2 out of 3	66.67%

Note:
Basis their requests, Mr. Amit Kumar Sinha, Mr. Amarjyoti Barua and Ms. Rama Bijapurkar were granted Leave of Absence ("LOA") from attending Audit Committee meeting held on 28^{th} July 2023, 7^{th} November 2023 and 30^{th} January 2024 respectively.

Terms of reference of Audit Committee

The terms of reference of the Audit Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.

The Board at its meeting held on 30^{th} January 2024, enhanced the terms of reference of the Committee to align with the RBI Master Direction dated 7^{th} November 2023 on Information Technology Governance, Risk, Controls and Assurance Practices (hereinafter referred to as "Master Directions").

Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. The terms of reference include, inter alia, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the Management the quarterly and annual financial statements and the Auditors' Report thereon before submission to the Board for approval, select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, approve transactions of the Company with related parties including subsequent modifications thereof and grant omnibus approvals for related party transactions subject to fulfilment of certain conditions, recommendation for appointment/re-appointment and remuneration of Auditors, review and monitor the Auditor's independence and performance, effectiveness of the audit process, suggestions and other related matters, scrutinise intercorporate loans and investments, reviewing with the Management the statement of uses/ application of funds raised through an issue as well as the funds utilised for the purpose other than those stated in the offer document/ prospectus/ notice, oversight of information security audit, etc.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2)(c) and reviews all the information as prescribed in Regulation 18(3) read with the Paragraph B of Part C of Schedule II of the Listing Regulations.

Special Audit Committee meetings to deliberate on Internal Audit Observations

Two special audit committee meetings were held i.e., on 22nd September 2023 and 27th March 2024, to review the Internal Audit Reports and deliberate on the Internal Audit findings.

Separate meetings between the Chief Internal Auditor and the Audit Committee

Four separate meetings were held between the Chief Internal Auditor and the Audit Committee, without the presence of Management, to facilitate free and frank discussion amongst them, which were held on 28th April 2023, 22nd September 2023, 27th October 2023 and 27th March 2024, respectively.

Separate meetings between the Joint Statutory Auditors and the Audit Committee

Two separate meetings were held between the Joint Statutory Auditors and the Audit Committee, without the presence of Management, to facilitate free and frank discussion amongst them, which were held on 28th April 2023 and 27th October 2023.

Separate Meeting with Credit Rating Agencies

In compliance with the provisions of SEBI Circular No. SEBI/ HO/ MIRSD/CRADT/CIR/P/2019/121 dated 4th November 2019, the Members of the Audit Committee interact with the Credit Rating Agencies ("CRAs") at a separate Audit Committee Meeting on annual basis. Accordingly, separate meeting of the Audit Committee with CRAs was held on 27th March 2024 to inter alia discuss matters including related party transactions, internal financial controls and other material disclosures made by the Company.

Invitees to Audit Committee Meetings

The Executive Directors, Chief Human Resource Officer ("CHRO"), Legal Head, Internal Auditor, Statutory Auditors, CFO, Head-Accounts, Treasury and Corporate Affairs, and Chief Risk Officer ("CRO") are invited to attend the Audit Committee Meetings. The Company Secretary acts as a secretary to the Committee.

Key activities of the Audit Committee during FY2024

The details of key matters reviewed/ recommended/ approved by the Audit Committee during FY2024 as per its terms of reference as prescribed statutorily and by the Board, were as under:

Key Activities of the Audit Committee

Key Matters reviewed/ recommended to Board / approved by the Committee during FY2024	Frequency
Recommended Quarterly, Half yearly and Annual Standalone and Consolidated financial statements/ results of the Company and other related matters.	Q/H/A
Reviewed the performance of the joint Statutory Auditors and Internal Auditors.	A
Reviewed the Management's discussion and analysis of the financial condition and results of operations of the Company.	A
Reviewed the Directors' Responsibility Statement.	A
Reviewed the internal audit findings, the action taken status and other matters concerning the internal audit functioning of the Company and its subsidiaries.	H
Reviewed and granted prior omnibus/ specific approvals for transactions with related parties and review of the same.	Q/H/A
Reviewed the financial statements, in particular the investments made by all subsidiary companies and all significant transactions and arrangements entered into by the subsidiary companies.	Q
Discussion with Credit Rating Agencies on governance & internal control matters.	A
Reviewed and approved Risk based Internal Audit Plan for FY 2025.	P
Reviewed the report and complaints, if any, under Whistle blower Policy and Report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.	Q
Reviewed compliance of Insider Trading Regulations and Systems for Internal Controls for prevention of Insider Trading.	Q/A
Evaluated internal financial controls and risk management systems.	P
Reviewed with the management, the statement of uses/ application of funds raised through Private Placement of Non-convertible Debentures.	Q
Reviewed fraud monitoring report.	Q
Recommended to the Board the amendment to the Policy on Insider Trading, Policy on materiality of and dealing with Related Party Transactions, Expected Credit Loss Policy, etc.	E

Q- Quarterly; A- Annually; H - Half yearly; E- Event based, P- Periodically.

Nomination and Remuneration Committee ("NRC")

The NRC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The NRC comprises only Non-Executive Directors. NRC is headed by an Independent Director.

Meetings of NRC

During FY2024, the NRC met three times i.e., on 27th April 2023, 28th July 2023 and 26th October 2023. All the Meetings were well attended.

NRC Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2024
Total Members	Minimum 3 Directors	5
Independent Directors	Minimum 2/3 Members	4 (more than 2/3rd)
Non- Executive Non- Independent Director	-	1

NRC composition as at 31st March 2024 and attendance at the meetings held during FY2024

NRC Members	Category	Date of appointment	Attendance and Meetings	% Attendance
Mr. Dhananjay Mungale (Chairperson)	ID	19.03.2014	3 out of 3	100%
Mr. C. B. Bhave	ID	18.03.2016		
Mr. Milind Sarwate	ID	23.09.2019		
Dr. Anish Shah	NED	15.05.2020		
Mr. Diwakar Gupta	ID	03.02.2023		

There was no change in the composition of NRC during the year.

Terms of reference of the NRC

The terms of reference of NRC are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations and applicable RBI guidelines.

The NRC has been vested with the authority to, inter alia, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity, and recommend candidates for Board Membership, develop and recommend policies with respect to remuneration of Board, KMPs, senior management and employees of the Company commensurate with the size, nature of the business and operations of the Company, establish Director retirement policies and appropriate succession plans, devise policy on Board Diversity, performance evaluation of Board and its committees, recommend remuneration of senior management to the Board, determine overall compensation policies of the Company, and administer the "Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010" and formulation of RSU Plan 2023 and administration of RSU Plan from time to time and take appropriate decisions in terms of the concerned Scheme(s).

The Committee is also empowered to opine, in respect of the services rendered by a Director in professional capacity, whether such Director possesses requisite qualification for the practice of the profession.

Key activities of the Nomination and Remuneration Committee during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per its terms of reference, as prescribed statutorily and by the Board. The key activities of the NRC are briefed as under:

Key Activities of the Nomination and Remuneration Committee

Key Matters reviewed/ recommended to Board / approved by the Committee during FY2024	Frequency
Recommended the remuneration payable to Directors, KMPs and Senior Management to the Board.	A
Noted the Fit and Proper declaration of Directors.	A
Recommended the appointment and remuneration of Senior Management Personnel(s) to the Board.	E
Noted the annual performance evaluation of Board and Committees for FY 2023.	A
Approved and reviewed the Key Responsibilities Areas ("KRAs") of the Executive Directors and Senior Management Personnel.	A
Recommended the re-appointment of Mr. Milind Sarwate as an Independent Director for a second term of 5 consecutive years commencing from 1st April 2024 to 31st March 2029.	E
Recommended the appointment of Mr. Raul Rebello as Whole time Director designated as "Managing Director and CEO Designate" with effect from 1st May 2023 up to 29th April 2024 and as the Managing Director of the Company designated as "Managing Director & CEO" with effect from 30th April 2024 to 30th April 2028.	E
Recommended to the Board a new Restricted Stock Units ("RSUs") Plan namely 'Mahindra & Mahindra Financial Services Limited - Restricted Stock Unit Plan 2023' ("RSU Plan 2023") .	E
Approved grants and vesting criteria for grants under MMFSL RSU Plan 2023 and other related matters.	E
Succession planning.	A

A- Annually; E- Event based; P- Periodically

Compliance with Fit & Proper Criteria for Directors

The Committee, in accordance with the Policy on 'Fit and Proper' Criteria for Directors, ensures the "Fit and Proper" status of Directors at the time of appointment and on a continuing basis, as prescribed by the Reserve Bank of India.

All Directors of the Company have confirmed that they satisfy the "Fit and Proper" criteria as prescribed under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (upto 19th October 2023) and Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19th October 2023, as amended.

Stakeholders Relationship Committee ("SRC")

The composition of the SRC of the Board satisfies the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. SRC is headed by an Independent Director.

Meetings of the SRC

During FY2024, the SRC met two times i.e., on 26th October 2023 and 29th January 2024. All the Meetings were well attended.

SRC Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2024
Total Members	Minimum 3 Directors	3
Independent Directors	Minimum 1	2
Executive Directors	-	1

SRC composition as at 31st March 2024 and attendance at the meetings held during FY2024

SRC Members	Category	Date of appointment	Attendance and Meetings	% Attendance
Ms. Rama Bijapurkar (Chairperson)	ID	23.04.2015		
Mr. C. B. Bhave	ID	09.04.2019	2 out of 2	100%
Mr. Ramesh Iyer*	ED	27.10.2005		

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024. Mr. Raul Rebello was inducted as the member of the Committee with effect from 30th April 2024.

Ms. Brijbala Batwal, Company Secretary, is the Compliance Officer of the Company under Regulation 6 of the Listing Regulations and the Nodal Officer to ensure compliance with the IEPF Rules.

Terms of reference of SRC

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and section 178 of the Act, as applicable, besides the other terms as referred by the Board of Directors.

The Committee meets, as and when required, to inter-alia, deal with matters relating to transfer/transmission of shares and debentures, approve requests for issue of duplicate share/ debenture certificates, issue of new Share Certificate(s) (including for transfer to the Investor Education and Protection Fund, as per the provisions of the Act and Rules framed thereunder), monitor redressal of grievances of security holders including customers, review of measures taken for effective exercise of voting rights by Shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent (RTA), review of Annual Audit Report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI, formulation and administration of Customer Grievance Redressal Policy, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

Further, a report on Customer Grievance Redressal pertaining to grievances/ complaints received from the Company's customers is also placed before the Committee for its review.

Key activities of the Stakeholders Relationship Committee during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per its Terms of reference, as prescribed statutorily and by the Board. The key activities of the Stakeholders Relationship Committee are briefed as under:

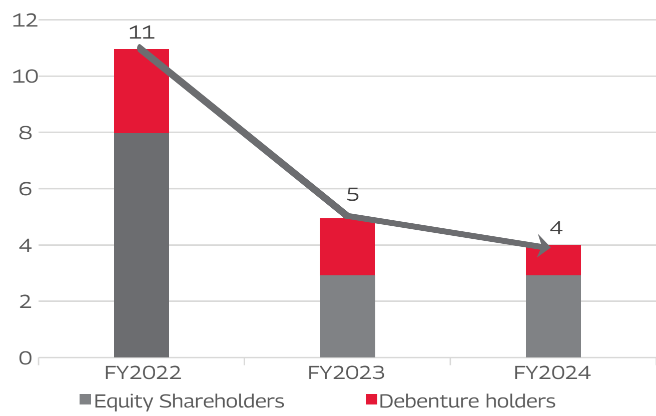
Key Activities of the Stakeholders Relationship Committee

Key Matters reviewed/ recommended/ approved by the Committee during FY2024	Frequency
Reviewed compliances related to KFin Technologies Limited ("RTA/ KFin") activities and Investor Related Compliances.	P
Reviewed the complaints received from fixed deposit investors and action taken thereon.	P
Noted the amount pertaining to Fixed Deposits, Dividend and shares transferred to IEPF.	A
Reviewed various initiatives undertaken by the Company to enable security holders to claim their unclaimed matured fixed deposits/ unclaimed dividend/ debentures, due for transfer to IEPF.	A
Noted the report on Customer Grievance Redressal and Investor Complaints.	P
Recommended Customer Grievance Redressal Policy.	E
Noted the initiatives taken to convert the physical shareholding into demat mode.	P
Noted the feedback received from security holders via security holders' satisfaction survey.	P
Reviewed the Action Taken Report provided by RTA on the basis of the report from their Internal Auditor.	A
Noted the status of transmission/ dematerialisation and issue of duplicate Share/ Debenture certificates.	P

A-Annually; P- Periodically; E-Event based.

Details of complaints/grievances received from Investors and resolved by the Company during FY2024 are given below:

Investor Complaints (in Nos.)



Status of Complaints from Equity and Debenture holders	FY2024
Number of complaints at the beginning of the year	0
Number of complaints received during the year	4
Number of complaints not solved to the satisfaction of security holder	0
Number of complaints pending at the end of the year	0

The investor complaints pertained to:

(i) Shares: Non-receipt of dividend, Bonus declared, etc.

(ii) Public NCDs: Non-receipt of Interest and TDS applicability.

Corporate Social Responsibility ("CSR") Committee

The CSR Committee of the Board is constituted in compliance with the requirements of Section 135 of the Act, led by an Independent Director.

Meetings of CSR Committee

During FY2024, the CSR Committee met three times i.e., on 27th April 2023, 27th July 2023 and 29th January 2024. All Meetings were well attended.

CSR Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2024
Total Members	Minimum 3 Directors	3
Independent Directors	1	2
Executive Director	-	1

CSR Committee composition as at 31st March 2024 and attendance at the meetings held during FY2024:

CSR Committee Members	Category	Date of appointment	Attendance and Meetings	% Attendance
Mr. Dhananjay Mungale (Chairperson)	ID	09.04.2019	3 out of 3	100%
Ms. Rama Bijapurkar	ID	09.04.2019		
Mr. Ramesh Iyer*	ED	15.03.2013		

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024. Mr. Raul Rebello was inducted as the member of the Committee with effect from 30th April 2024.

Terms of reference of CSR Committee

The CSR Committee has been constituted by the Board of Directors with powers, inter alia, to make donations/ contributions to any Charitable and/or CSR projects or programs to be implemented directly or through eligible executing agency(ies), of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR initiatives.

The Board at its meeting held on 28th July 2023, enhanced the terms of reference of the Committee to align with the provisions of the Listing Regulations.

The role of CSR Committee includes formulating and recommending to the Board an annual action plan consisting of: (i) list of approved projects or programs to be undertaken within the purview of Schedule VII of the Act; (ii) manner of execution of such projects; (iii) modalities of utilisation of fund; (iv) implementation schedules; (v) monitoring and reporting mechanism for the projects; (vi) details of need and impact assessment, if any, for the projects undertaken and also to monitor the CSR Policy periodically, etc.

The scope of the Committee also includes, inter alia, to formulate and recommend to the Board for its approval and implementation of the Business Responsibility and Sustainability Report ("BRSR") of the Company, undertake periodical assessment of the Company's Business Responsibility and Sustainability Performance, review the draft BRSR Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

The CSR Policy is hosted on the Company's website and can be accessed at web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

Key activities of the Corporate Social Responsibility Committee during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Corporate Social Responsibility Committee are as under:

Key Activities of the Corporate Social Responsibility Committee

Key Matters reviewed/ recommended to Board / approved by the Committee during FY2024	Frequency
Reviewed the Company's Business Responsibility and Sustainability Performance (including ESG).	P
Reviewed the CSR funds spent towards CSR Projects/ activities for FY2023.	P
Recommended BRSR and CSR reports the Company for approval and inclusion in the Annual Report.	A
Review of impact assessment reports.	P
Recommended CSR Budget and Annual Action Plan of the Company for FY2024.	A
Recommended amendments to Corporate Social Responsibility Policy .	E

A- Annually; E- Event based; P- Periodically.

Risk Management Committee ("RMC")

The RMC of the Board is constituted in compliance with Regulation 21 of the Listing Regulations and comprises of only Board Members, led by an Independent Director.

Meetings of RMC

During FY2024, the RMC met four times i.e., on 27th April 2023, 27th July 2023, 27th October 2023 and 29th January 2024. All meetings were well attended.

RMC Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2024
Total Members	Minimum 3 Directors	6
Independent Directors	Minimum 1	5
Executive Director	-	1

RMC Committee composition as at 31st March 2024 and attendance at the meetings held during FY2024

RMC Members	Category	Date of appointment	Attendance and Meetings	% Attendance
Mr. C. B. Bhave (Chairperson)	ID	10.02.2015	4 out of 4	100%
Mr. Dhananjay Mungale	ID	28.01.2008		
Ms. Rama Bijapurkar	ID	23.01.2009		
Mr. Milind Sarwate	ID	09.04.2019		
Mr. Ramesh Iyer*	ED	02.02.2022		
Mr. Diwakar Gupta	ID	03.02.2023		

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024.

There was no change in the composition of the Risk Management Committee during the year.

Terms of reference of RMC

Regulation 21 of the Listing Regulations mandates constitution of the Risk Management Committee. The Company has in place a Risk Management Committee even before Clause 49 of the erstwhile Listing Agreement came into effect. The Risk Management Committee was constituted by the Board at its Meeting held on 28th January 2008 to manage the integrated risk, inform the Board about the progress made in implementing a risk management system and review periodically the Risk Management Policy and strategy followed by the Company.

The Chief Risk Officer ("CRO") along with members of the Senior Management apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root causes of risks and their impact, key performance indicators, risk management measures and the steps being taken to mitigate these risks.

Separate meetings between the CRO and the RMC

Separate meetings between the CRO and the RMC, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. During FY 2024, four meetings were held on 27th April 2023, 27th July 2023, 27th October 2023 and 29th January 2024.

Key activities of the Risk Management Committee during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Risk Management Committee are as under:

Key Activities of the Risk Management Committee

Key Matters reviewed/ recommended/ approved by the Committee during FY2024	Frequency
Reviewed the risks, Risk Management Report, Risk Mitigation measures as prescribed under the Risk Management Policy along with extreme risks, their impact, likelihood and exposure.	Q
Reviewed the risk assessment and minimization procedures (methodology, process and system) and adequacy of Risk Management Systems.	P
Reviewed and recommended outcome of ICAAP assessment	P
Recommended amendment to various Product Policies, Policy on Internal Capital Adequacy Assessment Process (ICAAP Policy), Risk Management Policy, Outsourcing Policy, etc.	E

Q-Quarterly; E-Event based; P- Periodically

Committee for Strategic Investments ("CSI")

Terms of reference of CSI

The Committee for Strategic Investments of the Board is constituted with powers to evaluate and scrutinise significant investments/funding including but not limited to business acquisitions, reviewing and monitoring existing investments in Subsidiaries, Joint Venture(s), and other group companies, overseeing and reviewing performance of the subsidiaries and make necessary recommendations to the Board from time to time, including disinvestments.

Meetings of CSI

There was no CSI meeting held during FY2024.

CSI Committee composition as at 31st March 2024 and attendance at the meeting held during FY2024

Members of the Committee for Strategic Investments	Category	Date of appointment
Mr. Dhananjay Mungale (Chairperson)	ID	20.03.2015
Mr. Milind Sarwate	ID	09.04.2019
Mr. Ramesh Iyer*	ED	09.04.2019
Dr. Anish Shah	NED	23.03.2017

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024.

There was no change in the composition of the CSI during the year.

Asset Liability Committee ("ALCO")

The Asset Liability Committee of the Board is constituted in compliance with the RBI requirements.

Meetings of ALCO

During FY2024, the Committee met four times i.e., on 27th April 2023, 27th July 2023, 26th October 2023 and 29th January 2024. All Meetings were well attended.

ALCO composition as at 31st March 2024 and attendance at the meetings held during FY2024

ALCO Members	Category	Date of appointment	Date of cessation	Attendance and Meetings	% Attendance
Mr. Ramesh Iyer (Chairperson)	ED	25.04.2011	-	4 out of 4	100%
Mr. Milind Sarwate	ID	09.04.2019	-		
Mr. Dhananjay Mungale	ID	12.09.2001	-		
Mr. Diwakar Gupta	ID	03.02.2023	-		
Mr. Raul Rebello*	ED	02.02.2022	-		
Mr. Vivek Karve	Chief Financial Officer	02.02.2022	-		
Mr. Dinesh Prajapati	Head - Accounts, Treasury and Corporate Affairs	02.02.2022	29.02.2024		

Note :

- Mr. Raul Rebello and Mr. Dinesh Prajapati holds 355 and 2,17,144 shares respectively, in the Company as on 31st March 2024.

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024. Mr. Raul Rebello was appointed as the chairman of the Committee with effect from 30th April 2024

Terms of reference of ALCO

The Asset Liability Committee was constituted by the Board in 2001. It reviews the working of the Asset Liability Management Committee, its findings and reports in accordance with the guidelines of the Reserve Bank of India (RBI). The Asset Liability Committee reviews risk management policies related to liquidity, interest rates and investment policies. The Committee inter alia, oversees the Company's short, medium and long-term funding and liquidity management requirements. It also reviews the liquidity position based on future cash flows.

Key activities of the Asset Liability Committee during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Asset Liability Committee are briefed as under:

Key Activities of the Asset Liability Committee

Key Matters reviewed/ recommended/ approved by the Committee during FY2024	Frequency
Reviewed the report of the Asset Liability Management Committee (comprising cash management, liquidity planning, treasury chest policy, stress testing, contingency plan, forex exposure, interest rate risk etc.).	Q
Reviewed the Liquidity Risk Management Policy, Procedure and Framework.	P
Noted the report with regards to review of Liquidity Risk Management Framework by an external independent management consulting firm.	A
Recommended the amendment to the Liquidity Risk Management Policy and Procedures, Derivative Risk Management Policy, Treasury Chest Policy, Liquidity and Investment Policy, etc.	E

Q- Quarterly; E- Event based; P- Periodically; A - Annually.

IT Strategy Committee ("ITSC")

The Board of Directors at its Meeting held on 24th July 2017, had constituted the IT Strategy Committee in compliance with the provisions of Clause 1.1 of Section-A on IT Governance of the Master Direction No. DNBS.PPD. No.04/ 66.15.001/2016-17 dated 8th June 2017 and Clause 6 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7th November 2023 issued by the Reserve Bank of India, specifying the IT framework to be adopted for the NBFC sector.

Meetings of ITSC

During FY2024, the Committee met five times i.e., on 9th June 2023, 24th August 2023, 16th November 2023, 24th January 2024 and 18th March 2024. All the Meetings were well attended.

ITSC composition as at 31st March 2024 and attendance at the meetings held during FY2024

IT Strategy Committee Members	Category	Date of appointment	Date of Cessation	Attendance and Meetings	% Attendance
Mr. Milind Sarwate (Chairperson)	ID	23.09.2019	-	5 out of 5	100%
Mr. C. B. Bhave	ID	24.07.2017	-	4 out of 5	80%
Mr. Ramesh Iyer*	ED	24.07.2017	-	3 out of 5	60%
Dr. Rebecca Nugent	ID	28.10.2021	-	5 out of 5	100%
Mr. Amit Kumar Sinha	NED	28.10.2021	28.07.2023	0 out of 1	0%
Mr. Dinesh Gangwani	Chief Information Officer	28.10.2021	-	5 out of 5	100%
Mr. Amarjyoti Barua	NED	27.10.2023	-	2 out of 3	67%

Note - Mr. Dinesh Gangwani holds 500 shares in the Company as on 31st March 2024.

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024.

Mr. Rajesh Doshi, Former Director-IT, NSDL, Special Invitee, Mr. Mohit Kapoor, EVP-Group CTO (Mahindra Group) and Chief Information Security Officer ("CISO"), are permanent Invitees to the Committee. The meetings of the IT Strategy Committee are also attended by the senior persons from IT team.

Terms of Reference of ITSC

The scope of the Committee inter alia, includes review and approval of IT strategy and policy documents, cyber security arrangements, IT outsourcing policies, data privacy and controls, disaster recovery and any other matter related to IT governance.

The Board at its meeting held on 30th January 2024, enhanced the terms of reference of the Committee to align with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices notified on 7th November 2023.

Key activities of the IT Strategy Committee during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the IT Strategy Committee are briefed as under:

Key Activities of the IT Strategy Committee

Key Matters reviewed by the Committee during FY2024	Frequency
Information technology strategy, projects and initiatives.	P
Cyber security posture.	P
Data privacy roadmap and controls.	P
Cyber security and major information technology incidents.	P
Update on Information System audit reports.	P
IT Strategy.	P
Risk and Compliances pertaining to IT.	P
Review of IT outsourcing activities .	P
Noting of RBI's phishing simulation exercise report.	P
Regulatory updates and approving formation of Information Security Committee and IT Steering Committee .	E
Recommended to the Board the amendment to the IT Outsourcing Policy, Cyber Crisis Management Plan, etc.	E

P- Periodically; E-Event based.

In compliance with Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices ("MD – IT & GRC") dated 7th November 2023 issued by the Reserve Bank of India, the IT Strategy Committee has approved constitution of 2(two) management level committees i.e., Information Security Committee and IT Steering Committee with such members and functions as specified in MD – IT & GRC.

Digital and AI Committee ("DAIC"), a voluntary good governance initiative

The Board at its meeting held on 28th October 2021 had constituted the Digital and AI Committee. The Committee was constituted voluntarily, as a good governance initiative.

Meetings of DAIC

During the FY2024, the Committee met four times i.e., on 9th June 2023, 24th August 2023, 16th November 2023 and 24th January 2024. All the Meetings were well attended.

DAIC composition as at 31st March 2024 and attendance at the meetings held during FY2024

Digital and AI Committee Members	Category	Date of appointment	Date of Cessation	Attendance and meetings	% Attendance
Dr. Rebecca Nugent	ID	28.10.2021	-	4 out of 4	100%
Mr. Milind Sarwate	ID		-	4 out of 4	100%
Mr. Ramesh Iyer*	ED		-	2 out of 4	50%
Mr. Amit Kumar Sinha	NED		28.07.2023	0 out of 1	0%
Mr. Dinesh Gangwani	Chief Information Officer		-	4 out of 4	100%
Mr. Mohit Kapoor	EVP & Group CTO		-	4 out of 4	100%
Mr. Raul Rebello	ED		-	4 out of 4	100%
Mr. Vineet Shukla	VP – Data Sciences		-	3 out of 4	75%
Mr. Amarjyoti Barua	NED	27.10.2023	-	1 out of 2	50%

Note: Mr. Mohit Kapoor and Mr. Vineet Shukla do not hold any shares in the Company as on 31st March 2024.

* Mr. Ramesh Iyer ceased to be member of the Committee upon superannuation with effect from 29th April 2024.

Mr. Amit Kumar Sinha, Mr. Vineet Shukla and Mr. Amarjyoti Barua were granted Leave of Absence ("LOA") from attending IT Strategy Committee meeting held on 9th June 2023, 24th August 2023 and 24th January 2024.

Terms of Reference of DAIC

The Committee was constituted to advise the management on digital and AI strategy and roadmap, horizon scanning on AI trends, helping develop start-up and innovation ecosystem, guiding the management on ethical use of AI, preventing misuse of AI and ensuring data privacy for the customers and employees, helping develop roadmap for data assets which can be monetized later, defining high standards for customer centricity CX, defining data and AI governance framework.

Key activities of the DAIC during FY2024

The Committee reviewed/ recommended and approved the matters during FY2024 as per the Terms of reference, prescribed by the Board. The key activities of the DAIC are briefed as under:

Key Activities of the Digital and AI Committee

Key Matters reviewed by the Committee during FY2024	Frequency
Defining Data and AI governance.	P
AI use cases.	P
Horizon Scanning on AI trends.	P
Ethical use of AI.	P
Defining high standards for customer centricity.	P
Roadmap for usage and monetization of Data Assets.	P

P- Periodically.

PARTICULARS OF SENIOR MANAGEMENT

The details of Senior Management Personnel ("SMP") as defined under Regulation 16(d) of the Listing Regulations, including changes therein since the close of previous Financial Year are given hereunder:

Details of Senior Management as on 31st March 2024:

Name of SMP	Designation
Mr. Vivek Karve	Chief Financial Officer - Mahindra Finance and Financial Services Sector ("FSS")
Ms. Deepa Ranjeet	Chief Digital Officer - FSS & Head of Information Technology
Ms. Farida Balsara	Chief Legal Officer - Mahindra Finance & FSS
Mr. Mohammed Turra	Head Leasing Business
Mr. Manish Sinha	Chief Human Resource Officer - Mahindra Finance & FSS
Mr. Sandeep Mandrekar	Chief Business Officer – Core Wheels
Mr. Dinesh Gangwani	Chief Information Officer – Technology
Ms. Brijbala Batwal	Company Secretary
Mr. Gaurav Verma	Head Underwriting and Product Policy
Mr. Mohan Nair	Corporate Communications & PR
Mr. Devendra Sharnagat	Chief Data & Analytics Officer
Ms. Mallika Mittal	Chief Risk Officer

Changes in Senior Management Personnel during FY2024:

Name of SMP	Designation	Reason for change	Effective date of change
Mr. Atul Joshi	Chief – Human Resource and Admin	Resignation	30th June 2023
Mr. Manish Sinha	Chief Human Resource Officer - Mahindra Finance & FSS	Appointment (transfer from parent Company)	1st July 2023
Mr. Devendra Sharnagat	Chief Data & Analytics Officer	Appointment	24th July 2023
Mr. Rajesh Vasudevan	Chief Compliance Officer	Resignation	13th January 2024
Mr. Mohammed Turra	Head Leasing Business	Cessation (Transferred to group company as part of job rotation)	31st March 2024

MATERIAL SUBSIDIARY COMPANIES

Mahindra Rural Housing Finance Limited ("MRHFL"), a Debt listed Company, is a material subsidiary of the Company as per the criteria specified in Regulation 16 of the Listing Regulations. Disclosure requirements pertaining to material subsidiary companies prescribed under Schedule V of the Listing Regulations, are as follows:

Name of material Subsidiary for FY2024	Date of incorporation	Place of incorporation	Name of statutory auditor	Date of appointment of statutory auditor
Mahindra Rural Housing Finance Limited	9th April 2007	Mumbai	M/s. Gokhale & Sathe, Chartered Accountants	1st November 2021

MRHFL is not considered as a material subsidiary under Regulation 24 of the Listing Regulations for the purpose of appointment of Independent Director of the Holding Company on its Board.

The Company has complied with the provisions of Regulation 24 of the Listing Regulations with regards to Corporate Governance requirements for subsidiary companies.

DISCLOSURES

Policy for determining Material Subsidiaries

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. The Policy has been hosted on the website of the Company and can be accessed through the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

Disclosure of Transactions with Related Parties

All transactions entered into with Related Parties as defined under the Act and Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis. The details of the transactions entered with related parties are placed before the Audit Committee for their review on quarterly basis.

During FY2024, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in note no. 52 to Standalone Financial Statements of the Company for the year ended 31st March 2024 forming part of the Annual Report.

In addition to the above, as per the Listing Regulations, your Company has also submitted disclosures of Related Party Transactions to the Stock Exchanges in the prescribed format and also published it on the website of the Company.

Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a policy on materiality of and dealing with Related Party Transactions ("RPTs") pursuant to the provisions of the Act and Regulation 23 of the Listing Regulations, which guides on RPTs including the approval matrix to be followed, materiality threshold, and the manner of entering into Related Party Transactions.

The said Policy as amended during the year, to inter-alia align the same with the existing regulatory provisions, has been hosted on the website of the Company in accordance with the provisions of the Listing Regulations, RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

Particulars of loans/ advances etc. pursuant to para A of Schedule V of Listing Regulations

The Company has not made any loans and advances in the nature of loans to Firms/ Companies in which Directors are interested nor made any loans and advances in the nature of loans to its subsidiaries and associates during FY2024. Disclosure on the same is given in note no. 52(IV) of the Standalone Financial Statements of the Company for the year ended 31st March 2024. The Company has not availed any loans from M&M, its Holding Company and Promoter, during FY2024.

Disclosure on transactions with M&M as applicable, are given in note no. 52(ii) of the Standalone Financial Statements of the Company for the year ended 31st March 2024.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act, and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020. Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/applicable.

Accounting policies have been consistently applied, for the preparation of Financial Statements, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

With respect to the annual audited financial statements for the year ended 31st March 2024, the Company is in compliance with the requirements of the applicable Accounting Standards.

Non-compliances, Penalties and Strictures

No penalties/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority on any matter relating to capital markets, during the last three years.

As already reported , BSE had levied a fine of ₹ 1.65 lacs under Regulation 60(2) of the Listing Regulations, with respect to delay in submission by 1 (one day) of the intimation of record date for few ISINs during the month of March 2022, which was paid on 13th January 2023.

Monetary penalty of ₹ 6.77 crore was levied by the RBI vide its order dated 5th April 2023 for deficiencies in regulatory compliances with the RBI directions on fair practices which was reported in note. no. 53 (VII)(b) of Standalone Financial Statements of the Company for the year ended 31st March 2023.

Please refer to Company's website at https://www.mahindrafinance.com/investor-relations/regulatory-filings to access the disclosures made to the Stock Exchanges under Regulation 30 for penalties levied by tax authorities in connection with assessment matters and levied by other authorities. The Company has filed appeals, where necessary and expects favorable outcome at the appellate level. The Company does not reasonably expect the said Orders to have any material financial impact on the operations of the Company.

Compliance Policy

The Company has in compliance with the RBI Circular dated 11th April 2022, put in place the Compliance Policy duly approved by the Board. Further, the Company has strengthened its Compliance team and processes to ensure effective tracking and monitoring of regulatory compliances.

Compliance with the provisions of the Act , Secretarial Standards and Accounting Standards

During the year ended 31st March 2024, the Company has complied with the requirements of the Companies Act 2013 , including Secretarial Standards (SS-1 and SS-2) and applicable accounting standards.

Internal Ombudsman

A Report of number of complaints escalated to Internal Ombudsman and status of disposal of such complaints during the period under review was placed before the Board for its review in compliance with the RBI circular dated 15th November 2021.

Code for Prevention of Insider Trading Practices

The Company has, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations") formulated and adopted:

- **The 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'** to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI"). The Fair Disclosure Code inter alia, includes the Policy for Determination of "Legitimate Purpose".
- **The 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Financial Services Limited' ("Code")** was formulated to regulate, monitor and ensure reporting of Trading by Designated Persons and their immediate relatives designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The provisions of the Code are designed to prohibit identified Designated Persons from trading in the Company's Securities when in possession of UPSI. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with Securities of the Company and cautions them of the consequences of violations.
- **Policy and procedure for inquiry in case of leak / suspected leak of Unpublished Price Sensitive Information**: The Company has formulated the 'Policy and Procedure for inquiry in case of leak/ suspected leak of Unpublished Price Sensitive Information'. The objective of this Policy is to inter alia, strengthen the internal control systems to prevent leak of UPSI, restrict/prohibit communication of UPSI with unauthorised person(s) and curb the unethical practices of sharing sensitive information by persons having access to UPSI. The Policy also provides an investigation procedure in case of leak/ suspected leak of UPSI.

Compliance Officer under SEBI Insider Trading Regulations

Mr. Vivek Karve, CFO of the Company, acts as the Compliance Officer under the 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Financial Services Limited'.

Insider Trading e-Compliance Module

With a view to automate and facilitate the compliances under the PIT Regulations and the Company's Code, the Company has in place an 'Insider Trading e-Compliance Module, a digital platform ("Portal") for ensuring compliances including provision for reporting of trades, seeking pre-clearances and entering data on sharing of UPSI. Frequent reminders are sent informing about window closures through the Portal.

All designated persons of the Company have submitted their annual disclosures as on 31st March 2024 and affirmed compliance with the Company's Insider Trading Code and the PIT Regulations in the above Portal. Further, initial disclosures in Form A to be submitted on becoming a designated person of the Company are also received through the online portal.

Silent period

As a good governance practice, the Company voluntarily observes a 'Silent / Quiet period' starting from 1st day of the start of the month, after the end of the quarter, till the time of announcement of financial results. During this period, no interactions with investors/ analysts/ funds are held to discuss unpublished financial performance to ensure protection of Company's UPSI.

Structured Digital Database for UPSI

The Company has in place a structured digital database ("SDD") wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database.

The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the PIT Regulations.

The Secretarial Auditor has confirmed the compliance by the Company with the SDD in their ASCR.

Awareness initiatives on Prevention of Insider Trading

The Company has an internal awareness programme branded as- **JAGRUT** (enlightened) **INSIDERS** for creating awareness amongst the designated persons on the applicability, reporting and other compliances to be adhered to, closure of Trading window, protection of UPSI, maintenance of Structured Digital Database, do's and don'ts, etc. under the Company's Insider Trading Code, UPSI Leakage Policy and the PIT Regulations.

The Company also has a dedicated e-mail ID that can be reached by the Designated Persons for FAQs, queries and clarifications on the said Code, Policies and Regulations. There exists a process to include/ exclude Designated Persons under the Code. Guidance is given to designated persons on requisite compliances.

Physical/ in person awareness / induction sessions in FY2024

Further, the Company had during the year conducted three physical awareness sessions with separate groups of designated persons, briefing them on the regulatory provisions pertaining to Insider Trading and Company's Code of conduct on the same. Such sessions are also conducted for new employees appointed and considered as Designated Persons, on a periodic basis. The Company has also created a WhatsApp group providing snippets on the PIT Regulations.

The Company has formulated an Audio Training Module which is shared with all Designated Persons.

These initiatives help reduce the violations under the said regulations.

Review of the Insider Trading compliances

A detailed report comprising details of trading plans submitted, if any, pre-clearances given by compliance officer, trades carried out and reported to the stock exchanges, trading window closure period, details of violations, if any observed, confirmation on maintenance of Structured Digital Database, etc. as recommended in guidance note issued by The Institute of Company Secretaries of India on the PIT Regulations is submitted to the Audit Committee and the Board of the Company for its review on a quarterly basis.

Violations, if any, are reported to the Audit Committee. The Audit Committee on an annual basis also reviews and confirms that the systems for internal control for Insider Trading are adequate and are operating effectively in compliance with the PIT Regulations.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company's Code(s) of Conduct or Corporate Governance Policies or any improper activity, through the channels provided below.

The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected, and they are not subject to any discriminatory practices. The Whistleblower can make a Protected Disclosure by using any of the following channels for reporting:

1. **Independent third party Ethics Helpline Service Portal**: https://ethics.mahindra.com
2. **Toll free No: 000 800 100 4175**
3. **Chairperson of the Audit Committee**

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of your Company at the web-link https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

During the year, the Company received 10 whistle blower complaints. All the cases were investigated and appropriate actions were taken.

The Audit Committee is apprised on the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

MEANS OF COMMUNICATION

- The Company, from time to time and as may be required, interacts with its shareholders, debenture holders and fixed deposit holders through multiple channels of communication such as announcement of financial results, postal ballot results, annual report, media releases, dissemination of information on the website of the Company and Stock Exchanges, newspaper notices, reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures, unclaimed Fixed Deposits and/or interest due thereon and subject specific communications. The details of unpaid/unclaimed Dividend/Fixed Deposits and interest thereon are also uploaded on the website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#dividend-history.
- Other subject specific communication sent to the Securityholders during the year:
- **Mandatory KYC**: The Company has sent requisite correspondence/reminders to the securityholders, holding securities in physical form, to provide the KYC documents/ details as required under SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May 2023, as amended from time to time.
- **The Company publishes its quarterly, half-yearly and annual results** in Business Standard (all India editions) and Sakal (Mumbai edition) which are national and local dailies, respectively. These are not sent individually to the Shareholders.
- The Annual Report of the Company, the quarterly, half-yearly and the annual financial results and official news releases are **displayed on the Company's website at Mahindra Finance - Investor Relations**
- The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. The Company also files various compliances and other disclosures required to be filed electronically on the online portal of BSE Limited and National Stock Exchange of India Limited respectively, viz. BSE Corporate Compliance and Listing Centre (Listing Centre) and NSE Electronic Application Processing System (NEAPS).
- **The Company conducts annual and quarterly Earnings Call to engage with investors and analysts.** Presentation to Investors and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures.
- The Company has designated **investorhelpline_mmfsl@mahindra.com** as an e-mail ID for the purpose of registering complaints/ queries/ requests by investors and displayed the same on the Company's website. The Company has also designated **mfinfd@mahindra.com** as an exclusive email ID for Fixed Deposit Investors for the purpose of registering queries/complaints/ requests in respect of Fixed Deposits of the Company and the same has also been displayed on the Company's website.
- The Company's website is a comprehensive reference on the organisation's management, vision, mission, policies, Corporate Governance, corporate social responsibility, sustainability, investors, corporate benefits, products and services, updates and news.
- The Investor Relations section of the Company's website provides various downloadable forms such as Nomination Form, Form for updation/ registering of KYC, Declaration for opting out of nomination and Deletion of Name, etc., required to be executed by the shareholders have also been provided on the website of the Company. The said forms can be accessed on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders
- Members can also provide their feedback on the services provided by the Company and its Registrar & Transfer Agents by filling the **'Securityholders' Satisfaction Survey'** form available on the website of the Company at https://www.mahindrafinance.com/investor-relations/shareholder-satisfaction-survey.
- **KPRISM – Mobile service application by KFin:**

  Members are requested to note that KFin has launched a mobile application – KPRISM and a website https://kprism.kfintech.com for online service to Members. Members can download the mobile application, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by KFin, Dividend status, requests for change of address, change/update Bank Mandate. Through the Mobile application, Members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements. The mobile application is available for download from Android Play Store.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings and Special Resolutions passed:

For the Financial Year	Date of AGM (held through VC/ OAVM)	Time	Special Resolutions passed
2020-2021	26th July 2021	3.30 p.m. (IST)	1. Re-appointment of Mr. Ramesh Iyer (DIN: 00220759) as Managing Director of the Company designated as "Vice Chairman & Managing Director" for a period of 3 years with effect from 30th April 2021 to 29th April 2024. 2. Appointment of Mr. Amit Raje (DIN: 06809197) as Whole-time Director of the Company designated as "Chief Operating Officer Digital Finance - Digital Business Unit" for a period of 5 years with effect from 1st April 2021 to 31st March 2026.
2021-2022	28th July 2022	3.30 p.m. (IST)	No special resolution was passed
2022-2023	28th July 2023	3.30 p.m. (IST)	1. Appointment of Mr. Raul Rebello as Whole-time Director designated as "Executive Director and MD & CEO - Designate" from 1st May 2023 to 29th April 2024 and as the Managing Director of the Company designated as "Managing Director & CEO" from 30th April 2024 to 30th April 2028. 2. Re-appointment of Mr. Milind Sarwate as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from 1st April 2024 to 31st March 2029 (both days inclusive).

For the Financial Year	Date of AGM (held through VC/ OAVM)	Time	Special Resolutions passed
			3. Approval for introduction and implementation of 'Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023'.
			4. Approval for provision of money by the Company to Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust under the 'Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023' ("MMFSL RSU Plan 2023") to fund the subscription of equity shares in terms of MMFSL RSU Plan 2023.
			5. Alteration to the Memorandum of Association of the Company.
			6. Increase in the borrowing limits of the Company to ₹ 1,10,000 crore under section 180(1)(c) of the Companies Act, 2013
			7. Increase in limits for creation of security in connection with borrowing(s)

All the Resolutions moved at the last 3 AGMs were passed by the requisite majority of Members.

Details of Extraordinary General Meetings held during the Financial Year : NIL

No Extraordinary General Meeting was held during the Financial Year under review.

POSTAL BALLOT

During FY2024, the Company had passed the following Resolution through Postal Ballot:

Sr. No.	Description	Ordinary/ Special Resolution
1.	Alteration to the main objects clause of the Memorandum of Association of the Company to insert a clause to enable carrying on corporate agency business (insurance)	Special Resolution

Scrutinizer details

Mr. Keyur Mirani (Membership No.: ACS 26354 / COP No.: 24035) or failing him, Ms. Akanksha Mota (Membership No.: ACS 24626 / COP No.: 15096), Partners, M/s. Mota & Mirani Associates, Practicing Company Secretaries were appointed as the Scrutinizer ("Scrutinizer"), to scrutinize the Postal Ballot and votes cast through Remote E-voting process in a fair and transparent manner.

Details of voting on the above resolutions was as under:

Particulars	Percentage of Total Votes Polled (in %) (Alteration to the Memorandum of Association of the Company	Result
Votes in favour of the resolution	99.996	Passed with requisite majority on 19th January 2024.
Votes against the resolution	0.004	
Total	100	

Procedure adopted for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 14th December 2023 was sent to the Members whose name(s) appeared in the Register of Members / List of Beneficial Owners as on cut-off date i.e., Friday, 15th December 2023 and who had registered their e-mail addresses with the Company or KFin or the Depository Participant(s).

The newspaper advertisement to this effect were published, both in Business Standard newspaper (English) having nation-wide circulation and Sakal newspaper (Marathi) having circulation in Mumbai edition on 20th December 2023 in accordance with the provisions of the Act and Secretarial Standard -2 on General Meetings.

The remote e-voting facility was provided by KFin. The remote e-voting period commenced from 9.00 a.m. (IST) on Thursday, 21st December 2023 and concluded at 5:00 p.m. (IST) on Friday, 19th January 2024.

The Scrutinizer submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 19th January 2024.

The voting results were submitted to the Stock Exchanges where shares of the Company were listed, on 20th January 2024, and uploaded on the website of the Company (www.mahindrafinance.com) and ("KFin") and were also displayed at the Registered Office and the Corporate Office of the Company. The Postal ballot was conducted in due compliance with all the statutory provisions under the Act and Listing Regulations.

As at the date of this report, there are no resolutions proposed to be passed through postal ballot.

MANAGEMENT

Management Discussion and Analysis

The Annual Report has a detailed section on Management Discussion and Analysis in this Annual Report.

COMPLIANCE

The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, in this Report.

Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Compliance status of mandatory Corporate Governance requirements as on 31st March 2024 with weblink for policies is given hereunder:

Regulation No.	Corporate Governance Requirement	Compliance Status
16(1)(b) & 25(6)	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	Yes
17(1), 17(1A) & 17(1C), 17(1D) & 17(1E)	Board composition	Yes
17(2)	Meeting of Board of directors	Yes
17(2A)	Quorum of Board meeting	Yes
17(3)	Review of Compliance Reports	Yes
17(4)	Plans for orderly succession for appointments	Yes
17(5)	Code of Conduct	Yes
17(6)	Fees/compensation	Yes
17(7)	Minimum Information	Yes
17(8)	Compliance Certificate	Yes
17(9)	Risk Assessment & Management	Yes
17(10)	Performance Evaluation of Independent Directors	Yes
17(11)	Recommendation of Board	Yes
17A	Maximum number of Directorships	Yes
18(1)	Composition of Audit Committee	Yes
18(2)	Meeting of Audit Committee	Yes
18(3)	Role of Audit Committee and information to be reviewed by the audit committee	Yes
19(1) & (2)	Composition of nomination & remuneration committee	Yes
19(2A)	Quorum of Nomination and Remuneration Committee meeting	Yes
19(3A)	Meeting of Nomination and Remuneration Committee	Yes
19(4)	Role of Nomination and Remuneration Committee	Yes
20(1), 20(2) & 20(2A)	Composition of Stakeholder Relationship Committee	Yes
20(3A)	Meeting of Stakeholders Relationship Committee	Yes
20(4)	Role of Stakeholders Relationship Committee	Yes
21(1),(2),(3),(4)	Composition and role of risk management committee	Yes
21(3A)	Meeting of Risk Management Committee	Yes
21(3B)	Quorum of Risk Management Committee meeting	Yes
21(3C)	Gap between the meetings of the Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23(1), (1A), (5), (6), & (8)	Policy for related party Transaction	Yes
23(2), (3)	Prior or Omnibus approval of Audit Committee for all related party transactions	Yes
23(4)	Approval for material related party transactions	Yes
23(9)	Disclosure of related party transactions on consolidated basis	Yes
24(1)	Composition of Board of Directors of unlisted material Subsidiary	NA
24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25(1)	Alternate Director to Independent Director	Yes
25(2)	Maximum Tenure	Yes
25(2A)	Appointment, Re-appointment or removal of an Independent Director through special resolution or the alternate mechanism	Yes
25(3) & (4)	Meeting of independent directors	Yes
25(7)	Familiarization of independent directors	Yes

Regulation No.	Corporate Governance Requirement	Compliance Status
25(8) & (9)	Declaration from Independent Director	Yes
25(10)	Directors and Officers insurance	Yes
25(11)	Confirmation with respect to appointment of Independent Directors who resigned from the listed entity	Yes
26(1)	Memberships in Committees	Yes
26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	Yes
26(2) & 26(5)	Policy with respect to Obligations of directors and senior management	Yes
26(6)	Approval of the Board and shareholders for compensation or profit sharing in connection with dealings in the securities of the listed entity	NA
26A(1) & 26A(2)	Vacancies in respect of Key Managerial Personnel	Yes

Regulation No.	Details on Company's Website	Compliance status	Weblink on Company's Website
46(2)(a)	Details of business	Yes	https://www.mahindrafinance.com/about-us
46(2)(b)	Terms and conditions of appointment of independent directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(c)	Composition of various committees of board of directors	Yes	https://www.mahindrafinance.com/about-us/management#committees-of-directors
46(2)(d)	Code of conduct of board of directors and senior management personnel	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(e)	Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(f)	Criteria of making payments to non-executive directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(g)	Policy on dealing with related party transactions	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(h)	Policy for determining 'material' subsidiaries	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(i)	Details of familiarization programmes imparted to independent directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(j)	Email address for grievance redressal and other relevant details	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#contact-information
46(2)(k)	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#contact-information
46(2)(L)	Financial results	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#outcome-of-board-meeting
46(2)(m)	Shareholding pattern	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#quarterly-filings
46(2)(n)	Details of agreements entered into with the media companies and/or their associates	NA	-
46(2)(o)	Schedule of analyst or institutional investor meet, and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#schedule-of-analysts-investor-meets
46(2)(oa)	Audio or video recordings and transcripts of post earnings/quarterly calls	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#audio-of-earnings-call
46(2)(p)	New name and the old name of the listed entity	NA	-
46(2)(q)	Advertisements as per regulation 47 (1)	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#newspaper-publications
46(2)(r)	Credit rating or revision in credit rating obtained	Yes	https://www.mahindrafinance.com/investor-relations/debt-information#credit-ratings
46(2)(s)	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports
46(2)(t)	Secretarial Compliance Report	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#secretarial-compliance-report
46(2)(u)	Materiality Policy as per Regulation 30 (4)	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(v)	Disclosure of contact details of KMP who are authorized for the purpose of determining materiality as required under regulation 30(5)	Yes	https://www.mahindrafinance.com/wp-content/uploads/2024/05/20240430Regulation305changeinKMPsigned.pdf
46(2)(w)	Disclosures under regulation 30(8)	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings
46(2)(x)	Statements of deviation(s) or variation(s) as specified in regulation 32	NA	-
46(2)(y)	Dividend Distribution policy as per Regulation 43A(1)	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
46(2)(z)	Annual return as provided under section 92 of the Companies Act, 2013	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports

Compliance with discretionary requirements

The Company has also complied with the following discretionary requirements as specified under Regulation 27(1) read with Part E of Schedule II of the Listing Regulations:

Unmodified Audit Opinion

There was no audit qualification in Company's standalone or consolidated financial statements for FY2024. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

Separate Posts of Chairman and Managing Director

As on the date of this report, the Chairman of the Board is a Non-Executive Non-Independent Director and his position is separate from that of the Managing Director. They are not related to each other. The Chairman does not maintain any office at the Company's Expense and during FY2024 was not provided with any re-imbursement of expenses incurred in performance of his duties.

OTHER DISCLOSURES

Disclosure in relation to recommendations made by the Committees of the Board

During the year under review, all the recommendations made by the Committees were accepted by the Board.

Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

Fees paid to the Statutory Auditors and all entities in the network firm/ entities

The details of fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to Statutory Auditors of the Company, and all entities in the network firm/network entity of which the Statutory Auditors are a part, are given below:

₹ in crore#

Particulars	Mukund M. Chitale & Co.("MMC")	Deloitte Haskins & Sells("DHS")	Total fees for FY2024
Statutory Audit	0.59*	0.85	1.44
Other permissible Services	0.24**	0.24	0.48
Reimbursement of expenses	0.01	0.01	0.02
Total	**0.84**	**1.10**	**1.94**

The above amounts are exclusive of GST.

* Includes ₹ 0.10 crore paid by Mahindra Insurance Brokers Limited ("MIBL"), subsidiary of the Company to MMC, towards Statutory Audit fees for FY2024.

** Includes ₹ 0.06 crore paid by MIBL to MMC towards other services during FY2024.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

The Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder.

All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company ensures that no employee is disadvantaged by way of gender discrimination.

The POSH Policy is available on the website of the Company and can be accessed at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company conducts an online Induction Training through the learning platform M-Drona (Internal Training App) covering topics including POSH awareness, reconciliation before filing POSH complaint(s) and consequences of filing false complaint(s).

The following is a summary of Sexual Harassment complaint(s) received and disposed of during FY2024, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during FY2024 – 1

b) Number of complaint(s) disposed of during FY2024 – 1

c) Number of cases pending as of 31st March 2024- 0

Awareness and training on POSH

Continuous awareness in this area has been created vide the POSH campaign reiterating Mahindra's commitment to providing a safe workplace to all its employees. During the year, the Company organised sensitization and awareness programs vide inductions for new joiners, e-learning modules for all employees, trainees, associates including sending emailers, creating standees and posters to sensitise all employees to conduct themselves in a professional manner. Further, virtual and classroom training sessions were conducted by the Company's Ethics Counsellors. The Company also organized offline leadership conversations on gender sensitisation and employee interactive sessions including conscious inclusions.

d) Number of workshops/awareness programme on the subject carried out during the year under review were as under:

- Awareness program was conducted in which mailers & video on the Prevention of Sexual Harassment at the workplace along with POSH policies was circulated to all employees. POSH training was provided to all new joined as a part of induction module.
- An online e-learning module for employees on Prevention of Sexual Harassment covering the topics on Sexual Harassment, the process of filing complaints, dealing with sexual harassment, etc. is developed for training. 99.79 % of the employees have completed this training.
- One Training program on ICC was conducted for all ICC members.
- One Training program on POSH sensitization was conducted for the HR team.

GENERAL SHAREHOLDERS INFORMATION

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L65921MH1991PLC059642.

34th ANNUAL GENERAL MEETING

Day and Date	:	Tuesday, 23rd July 2024
Time	:	3.30 P.M (IST)
Mode of AGM	:	Through Audio Video Conference
Deemed Venue of the Meeting	:	Gateway Building, Apollo Bunder, Mumbai - 400 001
Link to participate through video-conferencing	:	https://emeetings.kfintech.com
Remote e-voting starts	:	Thursday, 18th July 2024 (9.00 am IST)
Remote E-voting ends	:	Monday, 22nd July 2024 (5.00 pm IST)
E-voting at AGM	:	Tuesday, 23rd July 2024

Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

Board Meetings schedule for Financial Reporting

- Quarter ending 30th June, 2024 - End of July 2024
- Half-year ending 30th September, 2024 – End of October 2024
- Quarter ending 31st December, 2024 – End of January 2025
- Year ending 31st March, 2025 - End of April 2025

Note: The above dates are indicative.

Dates of Book Closure

Book Closure for Dividend will be from Wednesday, 17th July 2024 to Tuesday, 23rd July 2024, both days inclusive.

Dividend Payment

A dividend of ₹ 6.30 per Equity Share (315%) on the face value of ₹ 2 each, would be paid after 23rd July 2024, subject to approval by Shareholders at the ensuing AGM.

Registered Office

Gateway Building, Apollo Bunder, Mumbai - 400 001.

Listing Details

A. Equity Shares

The Company's Shares are listed on:

Name	BSE Limited (BSE)	The National Stock Exchange of India Limited (NSE)
Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Exchange Codes	532720	M&MFIN

The requisite listing fees for FY2024 and FY2025 have been paid in full to both the Stock Exchanges.

Demat ISIN in NSDL and CDSL for Equity Shares	:	INE774D01024

B. Non-Convertible Debentures and Commercial Papers:

The Non-Convertible Debentures ("NCDs") of the Company comprise secured, unsecured and subordinated NCDs issued through private placement and public issuances. The NCDs are listed on the Debt Market Segment of BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Commercial Papers are listed on the Debt Market Segment of NSE, Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

The Rupee Denominated Medium Term Note programme is listed on the Singapore Exchange Securities Trading Limited. The Company does not have any outstanding listed securities under this programme.

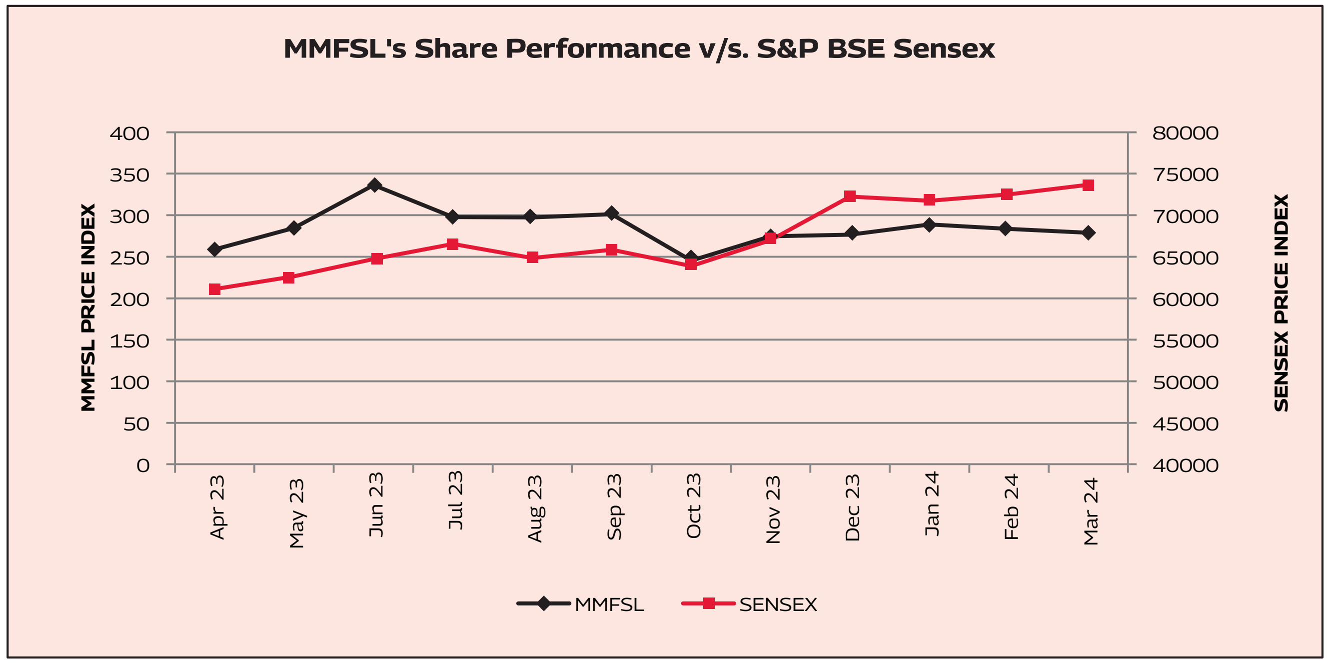
Debenture Trustee:

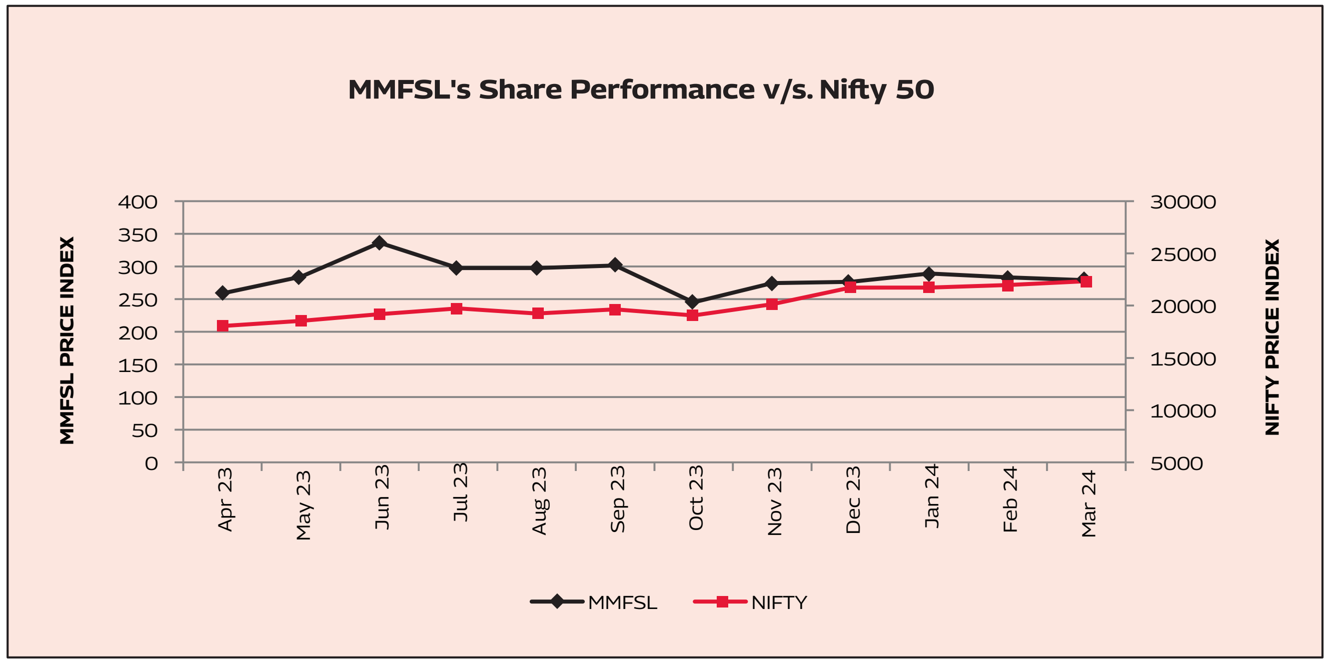
Pursuant to Regulation 53 of the Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed NCDs and public NCDs are given in the table at the end of this report.

These details are also available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/debt-information#debenture-trustee.

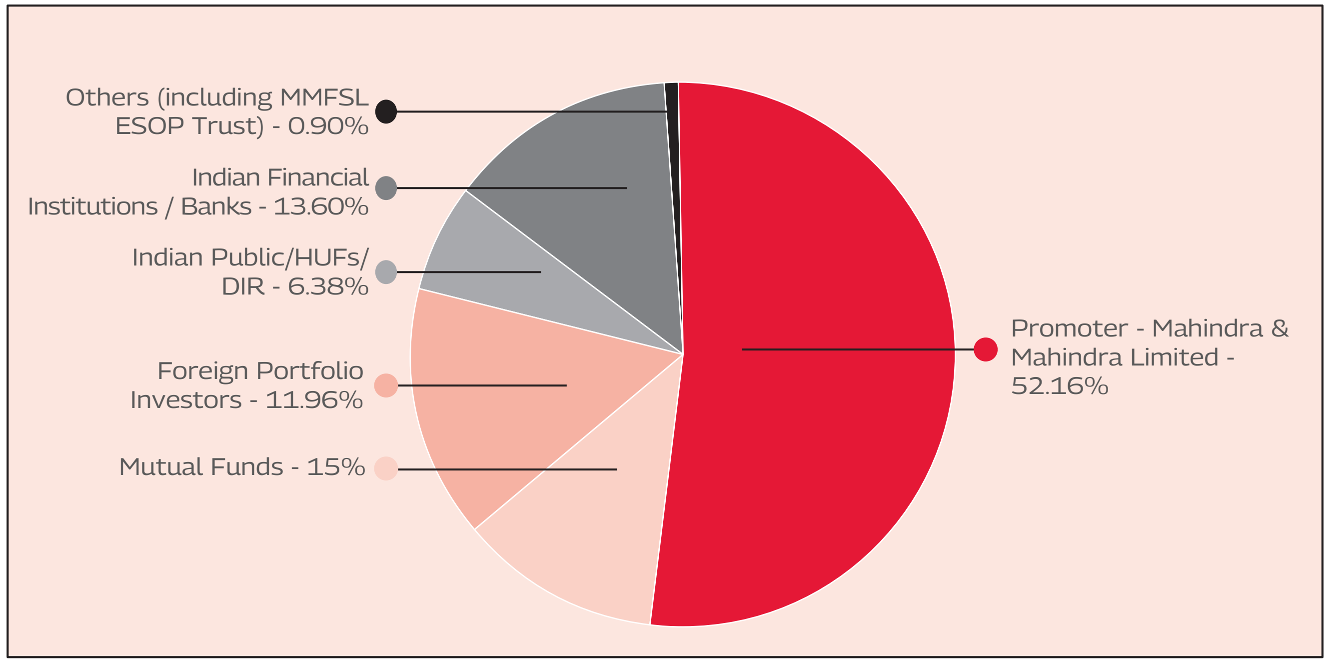
Monthly High and Low of Company's Shares for the FY2024 at BSE and NSE

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2023	263.60	**232.00**	263.60	**233.00**
May 2023	296.35	261.75	296.45	261.80
June 2023	342.35	278.45	342.55	278.70
July 2023	**346.40**	289.10	**346.55**	289.00
August 2023	305.90	272.70	306.00	272.70
September 2023	314.15	287.55	314.15	287.50
October 2023	304.35	243.90	302.15	237.35
November 2023	279.75	245.20	279.60	244.55
December 2023	295.90	262.60	296.00	261.90
January 2024	296.35	266.80	296.40	266.70
February 2024	303.00	275.45	302.90	275.80
March 2024	296.65	256.05	296.40	256.05





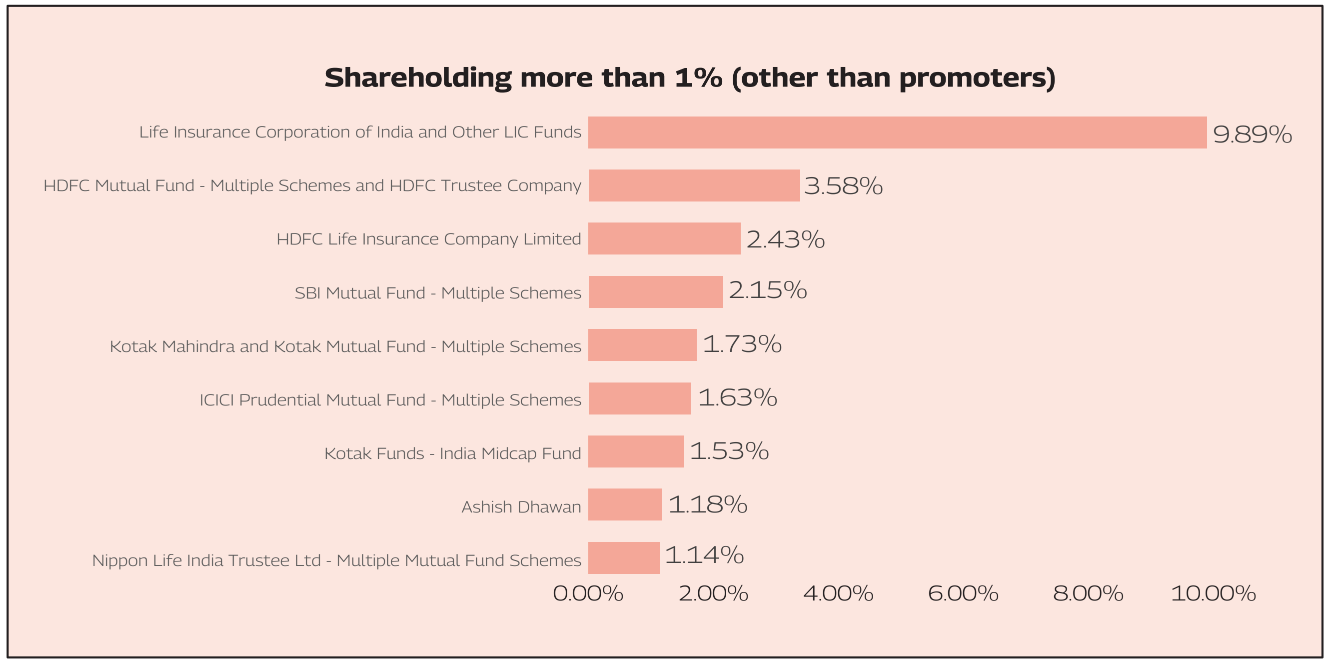
Category wise shareholding pattern as on 31st March 2024



Distribution of shareholding as on 31st March 2024

No. of Shares held	Number of Shareholders	Total No. of Shares held	% of Shareholding
1-500	2,09,159	1,79,31,079	1.45
501-1000	10,169	74,69,964	0.60
1001-5000	6,607	1,34,22,822	1.09
5001-10000	689	49,23,248	0.40
10001-20000	299	42,60,249	0.34
20001 and above	468	1,18,75,22,558	96.12
Total	**2,27,391**	**1,23,55,29,920**	**100.00**

Shareholding (other than promoter and promoter group) holding, PAN clubbed, more than 1% as on 31st March 2024:



Pledge of Equity Shares

No pledge has been created over the equity shares held by the Promoter of the Company as on 31st March 2024. Pursuant to Regulation 31(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, M&M, Promoter of the Company has submitted a declaration to the Audit Committee of the Company that they have not made any encumbrance, directly or indirectly, during FY2024 in respect of the shares held by them in the Company. The said declaration was noted by the Audit Committee.

Disclosure of certain types of agreements binding the Company as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III read with regulation 30A of the Listing Regulations

The Company has not received any information on any agreement(s) subsisting as on 15th July 2023 or entered into after 15th July 2023 till 31st March 2024 by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, directly or indirectly or potentially impacting the management or controlling the Company or imposing any restriction or creating any liability upon the Company.

Dematerialisation of Shares and Liquidity

As on 31st March 2024, 99.99 percent of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are frequently traded on BSE and NSE.

Year	As on 31st March 2024			As on 31st March 2023		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Dematerialised	2,31,883	1,23,54,26,455	99.99	1,86,243	1,23,54,11,985	99.99
Physical	18	1,03,465	0.01	22	1,17,935	0.01
Total	**2,31,901**	**1,23,55,29,920**	**100**	**1,86,265**	**1,23,55,29,920**	**100**

The Company had during the year taken initiative to reduce the number of physical shareholders, by sending communications through post as well as contacting the shareholders in person, for conversion of their physical holding in dematerialized form.

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

In accordance with the provisions of Regulation 39 (4) read with Regulation 34 (3) and Part F of Schedule V of the Listing Regulations, the details in respect of the unclaimed Equity Shares emanating from the Company's IPO and lying in the suspense account are as under:

Particulars	Number of Shareholders	Number of Equity Shares in Demat Suspense Account
No. of outstanding shares as on 1st April 2023	12	2,175
Less: Number of Shareholders who approached the Company for transfer of shares from suspense account and shares transferred to them	NIL	NIL
No. of outstanding shares in the suspense account lying as on 31st March 2024	12	2175

The voting rights on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

Unclaimed Equity Shares in Rights Allotment Demat Suspense Account

The details of Unclaimed Equity Shares emanating from Company's Right Issue and lying in the Rights Allotment Demat Suspense Account of the Company is given below:

Year	No. of shareholders	No. of Equity Shares
No. of outstanding shares as on 31st March 2024*	5	157

*During the year, there was no shareholder who approached the Company for transfer of shares from the suspense account.

Unclaimed Dividend and Shares transferred to Investor Education and Protection Fund Authority ("IEPF")

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend/shares are transferred to the IEPF can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices/reminders to all the Shareholders whose shares were due for transfer to the IEPF Authority and simultaneously published newspaper advertisement and, thereafter, transferred the shares to the IEPF during FY2024.

Details of Dividend remitted to IEPF during the year:

Financial Year	Date of dividend declaration	Amount transferred to IEPF (₹)	Date of transfer to IEPF
2015-16	22nd July 2016	7,87,140	12th September 2023

Details of Shares transferred/ credited to IEPF

During FY2024, the Company transferred 4,579 Equity Shares to IEPF Authority corresponding to unclaimed dividend for the year 2015-16. The IEPF Authority holds 88,494 Equity Shares in the Company as on 31st March 2024.

Pursuant to IEPF Rules, the details of Equity Shares transferred to and released from IEPF Authority are given as follows:

Particulars	Number of shares transferred to IEPF
Total number of shares held by IEPF as on 31st March 2019	68,577
Transferred to IEPF during FY2020	1,480
Less : Claimed by the Shareholder(s) during FY2020	2,500
Total number of shares held by IEPF as on 31st March 2020	67,557
Transferred to IEPF during FY2021	1,212
Less : Claimed by the Shareholder(s) during FY2021	0
Total number of shares held by IEPF as on 31st March 2021	68,769
Transferred to IEPF during FY2022	8,613
Less : Claimed by the Shareholder(s) during FY2022	0
Total number of shares held by IEPF as on 31st March 2022	77,382
Transferred to IEPF during FY2023	13,578
Less : Claimed by the Shareholder(s) during FY2023	6,795
Total number of shares held by IEPF as on 31st March 2023	**84,165**
Transferred to IEPF during FY2024	**4,579**
Less : Claimed by the Shareholder(s) during FY2024	**250**
Total number of shares held by IEPF as on 31st March 2024	**88,494**

The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

The Company has appointed the Company Secretary as the Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#nodal-officer

Further, the Company has also appointed Deputy Nodal Officer to assist the Nodal Officer to inter alia verify the claim(s) and co-ordinate with the IEPF Authority, the details of which are available on the website of the Company at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#nodal-officer

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March 2024 on the Company's website at the web-link: https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#details-of-unpaid-dividend

Details of unclaimed dividend on equity shares to be transferred to IEPF

The following table provides dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF:

Year	Date of declaration of dividend	Proposed period for transfer of unclaimed dividend to IEPF	Amount of unclaimed dividend (₹) (As on 31st March 2024)
2016-17	24th July, 2017	24th August 2024 to 22nd September 2024	5,96,378.4
2017-18	27th July, 2018	27th August 2025 to 25th September 2025	14,45,040
2018-19	23rd July, 2019	23rd August 2026 to 21st September 2026	13,18,824
2019-20	No Dividend was declared.	-	
2020-21	26th July, 2021	26th August 2028 to 23rd September 2028	4,92,194.6
2021-22	28th July 2022	28th August 2029 to 26th September 2029	8,28,666.4
2022-23	28th July 2023	28th August 2030 to 26th September 2030	10,49,668

Members are requested to claim the unclaimed amounts on matured debentures and interest accrued on such debentures, to be transferred to IEPF

The Company had sent notices/reminders to the Debenture holders/ applicants of Debentures whose principle amount towards debentures/ interest accrued on debentures/ application amount, are due for transfer to the IEPF Authority.

Pursuant to the amendment in the Finance Act, 2023, TDS is applicable under Section 193 of the Income-tax Act, 1961 w.e.f. 1st April 2023 in respect of interest paid on securities which are listed and in dematerialised form. Hence, Debenture holders are required to provide to the Company the relevant information and declarations, in order to determine the TDS rates applicable to different categories of debenture holders. Debenture holders are requested to submit the necessary documents 15 days prior to the payment becoming due.

Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

As on 31st March 2024, the Company did not have any outstanding GDRs/ ADRs/ Warrants. The Company has not issued any Convertible Instruments during the FY2024 and there are no outstanding convertible instruments as on 31st March 2024.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

Accordingly, the disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2018/0000000141 dated 15th November 2018 is not required to be furnished by the Company.

As per the Company's Derivative Risk Management Policy, your Company enters into derivative transactions to hedge its exposure to foreign exchange risk and interest rate risk on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallised at a predetermined rate of exchange on the date of taking the derivative transaction. Your Company has hedged all its foreign currency borrowings for its full tenure and is in compliance with applicable RBI guidelines in this regard.

Your Company follows the Accounting Policy and Disclosure Norms for derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The accounting policy and required details of foreign exchange exposures as on 31st March 2024 are disclosed in Note Number 49 to the Standalone Financial Statements in the Annual Report.

Credit Rating

The Credit Rating details of the Company as on 31st March 2024 are provided below:

Rating Agency	Type of Instrument	Rating	Remarks
CRISIL Ratings Limited	Fixed Deposit Programme	CRISIL AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
	Commercial Paper Programme and Short-Term Bank Facilities	CRISIL A1+	The 'A1'+ rating indicates a very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
	Long-term Debt instruments, Subordinate Debt Programme and Long Term Bank Facilities	CRISIL AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
India Ratings & Research Private Limited	Commercial Paper Programme and Short-Term Bank Facilities	IND A1+	The 'A1'+ rating is the highest level of rating. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
	Long Term Debt instruments, Subordinated Debt Programme and Long-Term Bank Facilities	IND AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
	PP-MLD	IND PP-MLD AAA /Stable	"PP-MLD" refers to Principal Protected Market Linked Debentures. The rating of MLDs is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
	Fixed Deposits	IND AAA /Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE Ratings Limited	Long Term Debt instruments and Subordinate Debt Programme	CARE AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
Brickwork Ratings India Private Limited	Long Term Subordinated Debt Programme	BWR AAA/Stable	The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk

The details of Credit Rating are available on the website at https://www.mahindrafinance.com/investor-relations/debt-information#credit-ratings

Locations/Offices

The Company has vast reach through 1,370 branches/ offices covering 27 states and 7 union territories in India.

In view of the nature of business activities carried on by the Company, the Company operates from various offices in India and does not have any manufacturing plants.

List of branches with addresses is available on the Company's website at the web-link: https://mahindrafinance.com/branch-locator

Share Transfer System

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Pursuant to Regulation 40 of the Listing Regulations with respect to, requests for effecting transmission and transposition of securities held in physical form, the Company will issue a Letter of Confirmation for the said transactions and will give effect to the transaction once the securities are dematerialised. Members holding shares in physical form are requested to get their shares dematerialised at the earliest.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account and get their shares dematerialised or alternatively, contact the nearest office of KFin to seek guidance about the dematerialisation procedure. The Members may also visit the website of the Depositories viz. (i) National Securities Depository Limited at the web-link: https:// nsdl.co.in/faqs/faq.php or (ii) Central Depository Services (India) Limited at the web-link: https:// www.cdslindia.com/Investors/FAQs.html for further understanding about the dematerialisation process.

The Stakeholders Relationship Committee meets as and when required to inter alia, consider other requests for transmission of shares/debentures, issue of duplicate share/debenture certificates, and attend to grievances of the security holders of the Company, etc.

Secretarial Audit Report and Reconciliation of Share Capital Audit

As a voluntary good governance practice, M/s. Makarand M. Joshi & Co., Company Secretaries, had conducted Secretarial Audit on the compliances by the Company, on a quarterly basis and the report has been placed before the Board every quarter.

Further, M/s. Makarand M. Joshi & Co., Company Secretaries have provided the Secretarial Audit Report of the Company for FY2024. The Audit Report confirms that your Company has complied with the applicable provisions of the Act and the Rules made there under, the Listing Regulations, applicable RBI Regulations, Listing Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Regulation 40(9) of the Listing Regulations certificate is being issued on annual basis, by a qualified Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

A qualified Practicing Company Secretary carries out a quarterly reconciliation of Share Capital Audit, to reconcile the total admitted Equity Share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed Equity Share capital. The quarterly audit for FY2024 confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL.

Annual Secretarial Compliance Report

Pursuant to SEBI Circular dated 8th February 2019, as amended, read with regulation 24A of the Listing Regulations and Circulars issued by Stock Exchanges in this regard, the Annual Secretarial Compliance Report for FY2024 issued by M/s. Makarand M. Joshi & Co., Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder has been filed with the Stock Exchanges.

Further, as required by the Circular dated 10th April 2023 issued by the Stock Exchanges, the Secretarial Auditor has additionally confirmed that **Company is compliant with the following statutory provisions for FY2024 as applicable:**

1. Compliance with the Secretarial Standards
2. Adoption and timely updation of Policies
3. Maintenance and disclosures on Website
4. None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013
5. Examination of details related to Subsidiaries of listed entities
6. Preservation of Documents
7. Performance Evaluation
8. Related Party Transactions
9. Disclosure of events or information
10. Compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015

Address for Correspondence

Equity Shares

Shareholders may correspond with the Registrar and Transfer Agents on all matters relating to transfer, transmission, dematerialisation of shares, payment of dividend, change of address, change in bank details and any other query relating to the Equity Shares of the Company.

Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised mode.

Non-Convertible Debentures

KFin Technologies Limited also acts as Registrar and Transfer Agents for the Non-Convertible Debentures of the Company. Complaints or queries/ requests relating to Public Issuances of Debentures as well as the Company's Privately Placed Debentures can be forwarded to KFin.

Debenture holders would have to correspond with the respective Depository Participants for Debentures held in dematerialised mode.

Security holder Survey

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Securityholders' Satisfaction Survey form available in the Investor Relations Tab on the website of the Company at the web link: https://www.mahindrafinance.com/investor-relations/shareholder-satisfaction-survey

Investor Grievance Redressal Policy

The Company from a good governance perspective has adopted an Investor Grievance Redressal Policy. The policy has an escalation matrix along with contact details of concerned team members through which the investor(s) will be able to contact the concerned person from the Company/RTA directly for any query or grievance pertaining to equity shares/debentures if the same is not resolved within specified timelines. Investor(s) can access the policy available on the website of the Company at https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies

Contact details at a glance

Company's Address for Correspondence Mahindra Towers, 'A Wing', 3rd Floor, P. K. Kurne Chowk, Worli, Mumbai - 400 018. Tel.: +91 22 6652 6000 Email Id: investorhelpline_mmfsl@mahindra.com	**KFin Technologies Limited (Registrar and Share Transfer Agents) - Equity Shares/ Debentures** Unit: Mahindra & Mahindra Financial Services Ltd. Selenium Building, Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India. Tel.: +91 40 6716 2222/1800 309 4001 Fax: +91 40 2300 1153 Email: einward.ris@kfintech.com Website: **www.kfintech.com** Also have office at: 24-B, Raja Bahadur Mansion, 6 Ambalal Doshi Marg, Behind BSE, Fort, Mumbai - 400 001. Tel.: + 91 22 66 23 5454
Queries/complaints/requests in respect of Fixed Deposits Mahindra & Mahindra Financial Services Limited, 37 & 38 4th Floor ASV Ramana Towers, Venkat Narayana Road, T Nagar, Chennai-600 017, Tamil Nadu. Contact: Chennai: +91 44 4227 6006 Mumbai: +91 22 6652 3500/ 1800 266 9266 Email Id: mfinfd@mahindra.com	**Debenture Trustee** Axis Trustee Services Limited Corporate Office: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar (West), Mumbai - 400 028. Phone : 022 - 6230 0451 Fax : 022 - 6230 0700 Email : debenturetrustee@axistrustee.in

Date: 4th May 2024

Declaration by the Managing Director under Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Mahindra & Mahindra Financial Services Limited

I, Raul Rebello, Managing Director & CEO of Mahindra & Mahindra Financial Services Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2024.

For **Mahindra & Mahindra Financial Services Limited**

Raul Rebello
Managing Director & CEO
DIN: 10052487

Place: Mumbai
Date: 4th May 2024

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
Mahindra & Mahindra Financial Services Limited
Gateway building, Apollo Bunder,
Mumbai - 400001

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Mahindra & Mahindra Financial Services Limited** having **CIN L65921MH1991PLC059642** and having registered office at **Gateway building, Apollo Bunder, Mumbai - 400001** (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on 31st March 2024.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment/ re-appointment in Company (dd/mm/yyyy)
1.	Dr. Anish Shah	02719429	18/03/2016
2.	Mr. Ramesh Iyer[1]	00220759	30/04/2001
3.	Mr. Raul Rebello[2]	10052487	01/05/2023
4.	Mr. Dhananjay Mungale	00007563	24/07/2019
5.	Mr. C.B. Bhave	00059856	03/02/2020
6.	Mr. Milind Sarwate[3]	00109854	01/04/2024
7.	Ms. Rama Bijapurkar	00001835	24/07/2019
8.	Dr. Rebecca Nugent	09033085	05/03/2021
9.	Mr. Diwakar Gupta	01274552	01/01/2023
10.	Mr. Ashwani Ghai[4]	09733798	23/06/2023
11.	Mr. Amarjyoti Barua[5]	09202472	28/07/2023

Notes:

1. On attaining superannuation, Mr. Ramesh Iyer has ceased to be the Vice Chairman & Managing Director of the Company effective close of business hours of 29th April 2024.
2. Mr. Raul Rebello was appointed as a Whole-Time Director designated as "Executive Director and MD & CEO - Designate" of the Company, liable to retire by rotation w.e.f. 1st May 2023 and as Managing Director designated as Managing Director & CEO with effect from 30th April 2024.

   Mr. Raul Rebello assumed the position of "Managing Director & CEO" of the Company w.e.f 30th April 2024 upon superannuation of Mr. Ramesh Iyer effective close of business hours of 29th April 2024
3. Mr. Milind Sarwate was re-appointed as an Independent Director of the Company for a second term of 5 consecutive years w.e.f. 1st April 2024.
4. Mr. Ashwani Ghai was appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, w.e.f. 23rd June, 2023.
5. Mr. Amarjyoti Barua was appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, w.e.f. 28th July, 2023.

6. Mr. Vijay Kumar Sharma has been appointed as an Additional Director (Independent and Non- Executive) for a term of 5 consecutive years w.e.f. 15th May 2024 up-to 14th May 2029 (both days inclusive), subject to approval of the members of the Company
7. Mr. Siddhartha Mohanty ceased to be Non-Executive Non-Independent Director of the Company w.e.f. 12th May, 2023.
8. Mr. Amit Kumar Sinha ceased to be Non-Executive Non-Independent Director of the Company w.e.f. 28th July, 2023.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533; CP: 3662
PR: 640/2019
UDIN: F009290F000310877

Place: Mumbai
Date: 4th May 2024

Practicing Company Secretaries' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members,
Mahindra & Mahindra Financial Services Limited
Gateway Building, Apollo Bunder, Mumbai-400 001

We have examined the compliance of conditions of Corporate Governance by Mahindra & Mahindra Financial Services Limited ("the Company") for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533; CP: 3662
PR: 640/2019
UDIN: F005533F000310123

Place: Mumbai
Date: 4th May 2024

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity**-L65921MH1991PLC059642
2. **Name of the Listed Entity** – Mahindra & Mahindra Financial Services Limited ("MMFSL")
3. **Year of incorporation** - 1991
4. **Registered office address** – Gateway Building, Apollo Bunder, Mumbai – 400 001.
5. **Corporate address** – Mahindra Towers, 'A' Wing, 3rd Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018.
6. **E-mail** – dalvi.neelima@mahindra.com (for matters relating to BRSR)
7. **Telephone** - 022 66523500
8. **Website** – www.mahindrafinance.com
9. **Financial year for which reporting is being done** – FY2024
10. **Name of the Stock Exchange(s) where shares are listed** – BSE Limited, National Stock Exchange of India Limited (NSE)
11. **Paid-up Capital** – ₹ 247.10 Crores
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**

    Name: Manish Sinha

    Designation: Chief Human Resource Officer, Mahindra Finance and Financial Services Sector

    Contact No.: 022 66523500

    In case of any BRSR Query: sinha.manish@mahindra.com
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). -**

    Standalone basis, i.e. with respect to MMFSL
14. **Name of assurance provider:** DNV Business Assurance India Private Limited
15. **Type of assurance obtained:** Limited assurance

I. Products/services

16. **Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and insurance Service	Financial and Credit leasing activities	98.8%
2	Financial and insurance Service	Other financial activities	1.2%

17. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover).**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Asset Financing	64990	86%

II. Operations

18. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	Not Applicable	1,370 branches/ offices as on 31st March 2024	1,370
International	Not Applicable	-	-

19. **Markets served by the entity:**

    a. **Number of locations**

Locations	Number
National (No. of States)	27 States and 7 Union Territories
International (No. of Countries)	-

    b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

    Not applicable.

    c. **A brief on types of customers:**

    MMFSL in India offers a wide range of financing, investment and insurance solutions to customers from Rural and Semi urban areas. The Company serves customers from diverse sectors.

III. Employees

20. **Details as at the end of Financial Year:**

    a. **Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	26662	25567	95.89%	1095	4.11%
2.	Other than Permanent (E)	1319	1095	83.02%	224	16.98%
3.	**Total employees (D + E)**	**27981**	**26662**	**95.29%**	**1319**	**4.71%**
WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	**Total workers (F + G)**	NA	NA	NA	NA	NA

    b. **Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	36	33	92%	3	8%
2.	Other than Permanent (E)	9	9	100%	0	0%
3.	**Total differently abled employees (D + E)**	45	42	**93%**	3	**7%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	**Total differently abled workers (F + G)**	NA	NA	NA	NA	NA

21. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18%
Key Management Personnel	4	1	25%

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.78%	19.62%	26.45%	20.08%	18.81%	19.94 %	18.85%	16.98%	18.77%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

IV. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Mahindra & Mahindra Limited	Holding	52.16	No
2.	Mahindra Insurance Brokers Limited	Subsidiary	100	No
3.	Mahindra Rural Housing Finance Limited	Subsidiary	98.43	No
4.	Mahindra Manulife Investment Management Private Limited	Subsidiary	51	No
5.	Mahindra Manulife Trustee Private Limited	Subsidiary	51	No
6.	Mahindra Finance CSR Foundation	Subsidiary	100	No
7.	Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	58.2	No
8.	Mahindra Finance USA LLC	Joint Venture	49	No

*The Holding Company has its own Business Responsibility (BR) initiatives and generally do not participate in BR initiatives of Mahindra Finance

V. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) - 13,562.42 crores (Total Income)

(iii) Net worth (in ₹) - 18,157.49 crores (Total of Equity Share capital and Other Equity)

VI. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, provide web-link for grievance redress policy)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.mahindrafinance.com/wp-content/uploads/2023/07/Vigil-Mechanism.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes https://www.mahindrafinance.com/wp-content/uploads/2024/04/Investor-Grievance-Redressal-Policy.pdf	1	0	-	2	0	-
Shareholders	https://www.mahindrafinance.com/wp-content/uploads/2024/04/Investor-Grievance-Redressal-Policy.pdf	3	0	-	3	0	-
Employees and workers	https://www.mahindrafinance.com/wp-content/uploads/2023/07/COC-Policy-V3-31-01-2024.pdf	0	0	-	0	0	-
Customers	https://www.mahindrafinance.com/wp-content/uploads/2023/07/Vigil-Mechanism.pdf	17960*	404	-	16549	158	-
Value Chain Partners	https://www.mahindrafinance.com/wp-content/uploads/2023/07/Vigil-Mechanism.pdf	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-

*includes 158 complaints filed in FY23 & pending resolution as on 31st March 2023.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Our stakeholders are a valuable part of our success and growth story. Our actions are tied to their progress and well-being in many ways. By overcoming various hurdles and difficulties in the crisis situation, the Company has strengthened mutual trust and remained true to common aspirations for the growth of the company and society as a whole.

The Company has followed the **GRI Universal Standard 2021** process to identify key material themes based on the significant economic, social and environmental impacts that are most important to our stakeholders and our growth plans. The Company has a comprehensive materiality determination process that considers both internal and external factors to achieve an integrated approach and comprehensive perspective. External factors include existing economic conditions, global environmental issues, peer and industry analysis, and the needs and desires of the customers, suppliers, and partners. Internal factors include strategic growth goals, leadership perspectives, and employee needs.

The Company has engaged a wide range of stakeholders through formal and informal mechanisms to solicit input into the materiality assessment process including:

- External factors through peer and Industry analysis
- Qualitative inputs from various stakeholders including employees, customers, suppliers
- Feedback from survey assessments and other communication channels from various stakeholders
- Perspectives from senior leadership and business objectives

Materiality Matrix

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Customer relationship management	Risk and opportunity	High customer satisfaction leads to repeat business, positive word-of-mouth referrals, and enhanced brand reputation. Satisfied customers are more likely to remain loyal and engage in additional financial services, driving revenue growth. But at the same time any kind of dissatisfaction would directly lead to impact on the business revenue.	Maintaining a high level of customer centricity in our business is primary with **customer service excellence program, and CPC 0.5** initiative. Please refer to principle 9 of BRSR.	**Positive:** Better customer reach, increase in customers' confidence, competitive advantage. **Negative:** Customer dissatisfaction may lead to legal risks, regulatory action and/or decreased revenue.
2	Diversity and equal opportunity	Risk and opportunity	Diversity and inclusivity help drive a respectful and inclusive workplace for our colleagues and provide better service to our customers.	Initiatives like Spectrum 2023, podcast series, etc., are implemented to promote diversity and inclusion with our brand pillar "**Rise for a More Equal World**" helping to dismantle stereotypes.	**Positive:** Better employee performance, more talent attraction, expanded market reach. **Negative:** Non diversity may result in reputation damage, limited talent pool and employee disengagement.
3	Digital Innovation	Opportunity	Embracing digital innovation allows MMFSL to improve operational efficiency, enhance customer experience, and develop innovative financial products and services. Digital transformation can lead to competitive advantages and new revenue streams.	The company's consistent step towards robust digital environment and digital investment ensures minimum use of paper-based transactions.	**Positive:** Cost efficiency, better customer reach & service through digital operations, reduced health hazards, reduction in collection costs and emissions.
4	Employee wellbeing	Risk and opportunity	Prioritizing employee well-being leads to higher job satisfaction, improved productivity, and reduced absenteeism. Supporting employee well-being fosters a positive work environment and contributes to overall organizational success.	Employees being our core assets over the years, we have been adopting best-in-class practices through initiatives and workshops.	**Positives:** Higher retention, positive workplace culture, and enhanced brand value. **Negatives:** Employees are our most important assets. Employee-related health issues directly affect the productivity and also increase operating costs.
5	Corporate governance	Opportunity	Effective corporate governance ensures accountability, transparency, and ethical decision-making within the organization. Strong governance practices enhance investor confidence, stakeholder trust, and long-term sustainability.	Our company is dedicated to upholding integrity and transparency in all of its interactions, and it values ethical business practices highly.	**Positives:** Improved transparency and accountability, attracting more investors, maintaining shareholder confidence and long-term sustainability.
6	Employee training and education	Opportunity	Employees being the brand ambassador carry company's mission of driving positive change and transforming rural life.	Company emphasizes on employee learning, development, mentoring and knowledge sharing through various initiatives and organized programmes.	**Positive:** Implementing several initiatives and programmes to enhance employee's skills and competencies to help them in their journey of personal and professional progress.
7	Climate change	Risk	Climate change poses various risks, including physical risks (e.g., natural disasters), regulatory risks (e.g., carbon pricing), and reputational risks (e.g., association with environmentally harmful practices). Adapting to climate change and implementing sustainable practices are essential for mitigating these risks.	Operational resilience to the effects of climate change, abiding to the Paris agreement of climate change.	**Negative:** Our customers being climate dependent have their earning linked to Agri-output. Timely and spatial distribution of monsoon and other climatic factors plays an important role in earning and repayment capability of our customers, climate change impacts on company's ESG ratings.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, MMFSL has a Policy covering all the 9 principles and the core elements of the NGRBCs								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	Sustainability Policy https://www.mahindrafinance.com/wp-content/uploads/2023/07/Sustainability-Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Our Sustainability Policy aligns to the National Guidelines on Responsible Business Conduct (NGRBC), based on: • UN Guiding Principles for Business and Human Rights (UNGPs), • UN Sustainable Development Goals (SDGs), • Paris Agreement on Climate Change, • Core Conventions of the International Labour Organisation (ILO), and • The Companies Act, 2013. The Company is also a signatory to the UNGC Principles signed by our Vice Chairman & Managing Director. Moreover, the Company adheres to the GRI Standards and IIRC framework while reporting on the Company's ESG performance across parameters included in the Integrated Report. ISO Certifications: ISO 27001: Information Security.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	MMFSL has developed a Sustainability Roadmap for FY2024 across ESG parameters. In the present financial year, the Company has committed and signed up for the UNGC principles. Our targets for the current financial year have been committed and additionally have already been validated by Science Based Targets initiative.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	MMFSL has developed a Sustainability Roadmap for FY2024 across ESG parameters and tracks them to ensure that these are implemented, monitored, and achieved in the planned time frames. Please refer to ESG performance mentioned in the Integrated Report								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

MMFSL strives to bring about prosperity with the purpose of driving positive change in the lives of communities and stakeholders, enabling them to rise. ESG is the need of the hour for all businesses, and we at MMFSL are constantly working to incorporate the ESG principles into our operations. We are dedicated to building a sustainable future for a brighter tomorrow for all stakeholders. We strive for inclusive growth with the ultimate objective of creating a more equal world. Despite the challenges, we prioritize the interests of our investors and shareholders, ensuring consistent and sustainable returns.

We strive to create long term value by evaluating our performance against the ESG roadmap, which is designed with the three pillars of Environment, Social, and Governance. We also depend on the engagement and motivation of our workforce to create sustainable and long-term growth of the organization. MMFSL values its employees and is committed to continuing to invest in their talents. Throughout the year, the Company provided a variety of learning and development opportunities for its employees. Dedicated learning programs like transformational Leadership Program, Customer service Excellence and trainings on effective digitization for employees were also implemented in FY2024.

At the leadership level, various workshops are held to foster a diverse and inclusive workplace, with initiatives like, inter-alia, policy inclusion, podcast channelization and theatre-based workshops.

With a PAN-India presence at remote locations spanning 1370 branches/ offices, we are constantly making efforts to reduce our environmental effect. MMFSL has switched to digital operations to reduce paper waste and opted for energy-efficient electronic equipment to save electricity. Reducing dependency on natural resources, mitigating climate change, and attaining sustainable economic development are all strategically included into MMFSL's business model with a vision to be carbon neutral in the near future. During the financial year we have signed the Science Based Targets initiative for our reduction of Scope 1 and Scope 2 emissions by 50.4% by 2032. We are putting systems and procedures in place to achieve the undertaken target, and aligning the company's vision with the country's Net-Zero target by 2070.

At MMFSL, we understand the significance of social responsibility and the impact of communities on our shared future. Corporate governance is of utmost importance to us, and we are committed to achieving transparency and governance goals. We adhere to established policies and frameworks that governs the ethical decision-making in all our engagements.

We will continue to establish an ESG-conscious organization in FY2025 and are on track to meet our ESG commitments and create shared value. Looking ahead, we strive to build operational resilience to the effects of climate change on our business and the communities we serve.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Until 29th April 2024: Mr. Ramesh Iyer (Vice Chairman & Managing Director, Mahindra Finance Member of Group Executive Board) From 30th April 2024: Mr. Raul Rebello MD and CEO, MMFSL

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Corporate Social Responsibility Committee ("CSR Committee") of the Board led by an Independent Director is responsible for implementation of the ESG related Policies. The Committee comprises of three Directors; two being Independent Directors and one is the Managing Director. The Committee reviews the Company's Business Responsibility and Sustainability Performance including ESG and principle wise performance of NGRBC.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	MMFSL practices periodic review of the relevant policies of the Company. Review is carried out by the concerned stakeholders, followed by the implementation of necessary changes to the policies and procedures, whenever required.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable. We have constituted various Board level Committees that meets periodically to review and monitor the objectives.																	

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes. Our Integrated Annual Report is assured by a third party, **DNV Business Assurance India Private Limited** in accordance to the GRI Reporting Standards framework. The report is mapped in accordance with the UN Sustainable Development Goals, National Voluntary Guideline Principles, and with the IIRC framework. The policies are reviewed and revised, if required, on a periodic basis by the concerned departments. The revised policies are then submitted for approval of Management, as applicable. DNV Business Assurance India Private Limited evaluated the performance of policies and procedures in compliance with the GRI standards.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness Programmes
Board of Directors	1*	All 9 principles	100%
Key Managerial Personnel	28	All 9 principles	100%
Employees other than BoD and KMPs	36	All 9 principles	100%
Workers	NA	NA	NA

*Details of familiarization programmes imparted to Board of Directors can be referred to in the Corporate Governance Report

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine		NA*			
Settlement		NA			
Compounding fee		NA			

Non-Monetary	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		NA		
Punishment		NA		

* There are no fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year which are material as specified in Regulation 30(4)(i)(c) of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 ("LODR").

Please refer to Company's website at https://www.mahindrafinance.com/investor-relations/regulatory-filings to access the disclosures made to the Stock Exchanges under Regulation 30 of LODR for penalties levied by Tax Authorities in connection with assessment matters.

3. in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes- MMFSL practices zero-tolerance approach towards bribery and corruption, and is committed to conducting all its business dealings, relationships, implementations professionally and fairly, while enforcing effective systems to counter bribery and corruption in any form.

Anti bribery anti-corruption policy -

https://www.mahindrafinance.com/wp-content/uploads/2023/07/Anti-Bribery-and-Anti-Corruption-Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	2024		2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

8. Number of days of accounts payables (Accounts payable*365) / Cost of goods/services procured) in the following format:

	FY2024 (Current Financial Year)	FY2023 (Previous Financial Year)
Number of days of accounts payable	NA	NA

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Not applicable	-
	b. Number of trading houses where purchases are made from	Not applicable	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Not applicable	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Not applicable	-
	b. Number of dealers / distributors to whom sales are made	Not Applicable	-
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	Not Applicable	-
Share of RPTs in*	a. Purchases (Purchases with related parties / Total Purchases)	40.14%	28.61%
	b. Sales (Sales to related parties / Total Sales)	0.64%	0.02%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	15.54%	12.95%

*Note-

- Purchases refer to purchase of Fixed Assets.
- Sales refer to Sale of Fixed Assets.
- No loans/Advances given to any related parties.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics/ principals covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	All 9 principles of NGRBC are covered.	80%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

MMFSL has zero tolerance towards unethical business practices and ensures adherence to relevant principles, including those related to conflicts of interest. The Company has separate Codes of Conduct ('CoC') for the Board, Senior Management, and Employees to avoid or disclose any potential conflict of interest with the company. Different CoC indicates that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability.' The CoCs require them not to engage in any material business relationship or activity that conflicts with their duties towards the Company.

All the members of Board and Senior Management Personnel have confirmed to the Code of Conduct. None of the Directors have any pecuniary relation with the Company apart from remuneration. None of the Directors are related inter-se.

The Code of Conduct for Board is available at: https://www.mahindrafinance.com/wp-content/uploads/2023/07/Code-of-Conduct-for-Board-of-Directors-version-4.pdf

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	50%	40%	1. Procurement of 5-star inverter split AC's, super-efficient BLDC fans for reducing energy consumption, 2. Replacement of lights with LEDs across all branch offices, 3. Procurement of prelaminated particle boards (modular furniture).

Given the nature of MMFSL's business, Capex Investment is largely focused on procurement of Energy efficient appliances like 5-star Inverter Air Conditioners, LED's & Brushless Direct Current (BLDC) fans, and prelaminated particle boards.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, MMFSL provides financial services PAN India in various sectors to meet the needs of the people, with a particular focus on rural and semi-urban areas. We do not consume raw materials in our operations since the business activities are limited to providing financial solutions. However, MMFSL fosters and promotes a culture of resource conservation and innovation. MMFSL emphasizes operational excellence by reducing dependency on natural resources, thereby minimizing its environmental footprint. Additionally, MMFSL strives to procure energy-efficient products and wheat-based recycled papers in its service operations.

b. If yes, what percentage of inputs were sourced sustainably?

In FY2024, MMFSL ensured 50% sustainable sourcing through energy-saving product procurement.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

MMFSL is a service sector organisation providing financial services like loans and investment options. It is not a product manufacturing company. However, being a responsible organisation, during the FY2024, we have recycled 34+ tonnes of paper and 42+ tonnes of e-waste through Government registered recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable as MMFSL is a financial services company, it does not manufacture any products.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Not applicable as MMFSL is a financial services company, it does not manufacture any products.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable as MMFSL is a financial services company. It does not manufacture any products.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
Not applicable as MMFSL is a financial services company, it does not manufacture any products.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled*	Safely Disposed
Plastics (including packaging)	Not applicable as MMFSL is a financial services company hence it does not manufacture any products.			Not applicable as MMFSL is a financial services company hence it does not manufacture any products.		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable as MMFSL is a financial services company, it does not manufacture any products.	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

At MMFSL, different initiatives and workshops assure employee well-being, diversity, and inclusion. We recognize that it is essential to safeguard our employees from illness, injuries, emergencies, health and safety hazards as well as other wellbeing issues. Initiatives like Spectrum 2023, podcast series, etc., are implemented at the executive and strategic levels to highlight our top leadership team's involvement in promoting diversity, inclusion, and unbiased practices. Our brand pillar "Rise for a More Equal World," which focuses on fostering a sense of inclusion and belonging in the Mahindra Financial Services sector sought to deepen understanding of inclusion, breaking down unconscious bias, and dismantling stereotypes, resulting in a culture in which everyone feels valued, respected and empowered to deliver business results.

Women play an important role in our success story and are encouraged to take on leadership positions. Recognizing the particular obstacles and untapped potential of women in leadership roles, we created "She is on the Rise," a uniquely customized program meant to empower our female managers and push their success.

For the wellbeing of employees, platforms such as the Alyve application, and the Employee Engagement Platform have been launched. The Alyve application has facilitated health as well as Eye Check-ups for 3000+ employees PAN India along with hosting mental wellness workshops.

Through the employee engagement platform, peer to peer appreciation and interaction were fostered through hobby club activities like book reading, photography etc.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	26662	26662	100	26662	100	NA	NA	509	1.9	NA	NA
Female	1319	1319	100	1319	100	42	3.18	NA	NA	160	12.1
Total	**27981**	**27981**	**100**	**27981**	**100**	**42**	**0.15**	**509**	**1.82**	**160**	**0.57**
Other than Permanent employees											
Male	NA										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male											
Female	NA										
Total											
Other than Permanent workers											
Male											
Female	NA										
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY - 2024	FY - 2023
Cost incurred on well- being measures as a % of total revenue of the company	0.65	0.72

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	No. of employees covered as a % of Total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of Workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Y	100	NA	Y
Gratuity	72	NA	Y	100	NA	Y
ESI	26	NA	Y	53.39	NA	Y
Others - please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, we strive to make our offices accessible to differently abled employees to the best of our abilities and wherever practicable. As part of our future readiness, we consider the following for branch openings/shifts:

1. Preference for locations accessible at the ground floor;
2. Installation of ramps and railings in ground floor branches where feasible;
3. Provision of PWD-friendly restrooms;
4. Design of branch layouts with easy accessibility for PWDs wherever possible.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

MMFSL is an Equal Opportunity Employer and actively supports rights to equal opportunities for employees with disabilities. We are committed to implementing the provisions of the Rights of Persons with Disabilities Act of 2016 in both letter and spirit, including offering specific opportunities for hiring in recognized positions.

https://www.mahindrafinance.com/wp-content/uploads/2023/07/Human-Rights-Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99.62%	78.78%	NA	NA
Female	55.00%	72.73%	NA	NA
Total	96.62%	78.39%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	YES
Other than Permanent Employees	

MMFSL is committed to providing fair and equitable work opportunities to all employees; hence the Grievance Redressal Policy has been created. The objective of the policy is to provide employees with an easily accessible mechanism for the settlement of their grievances in a professional and transparent manner, with prompt and responsive resolution. We have also constituted Grievance Committees to handle employees' grievances.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employee / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	The Company does not have any employee associations. The Company promotes equal opportunity to all the employees to raise their queries directly to the senior management through webcast's and the same is being answered/addressed by them.					
- Male						
- Female						
Total Permanent Workers	NA					
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	26662	11767	44	26662	100	25354	11600	45.75	22940	90
Female	1319	210	15.92	1131	85.7	975	200	20.51	904	93
Total	**27981**	11977	42.8	27793	99.3	26329	11800	44.82	23844	91
Workers										
Male	NA									
Female										
Total										

Good health and safety practices promote work effectiveness, employee morale and brand image. We have integrated safety process into our key business activities to build a safe culture in our organization. Following are some of the key safety initiatives undertaken/continued in the FY2024 reporting period:

a. Defensive Driving Program for promoting road safety awareness. Around 5500 employees have been trained till date.

b. Women Safety Ambassador Programme for female employees to create awareness on safe work practices and thereby enhancing the morale of Female employee towards employees towards safety.

c. Certified First Aid Training Programs are implemented for the Emergency Response Team ("ERT") to provide certified first aiders at offices. This initiative helps not only foster a safety culture at the workplace but also strengthens the emergency procedure. 110 ERT members have been provided this certificate till date.

We value our employees' development and aim to provide both - learning opportunities for employees and service satisfaction for our customers. Throughout the year we offered various development programs, including:

d. CSE – Customer Service Excellence, a program implemented in 30 focused branches to equip our customer-facing roles with necessary knowledge and skills. 1100+ employees i.e., 83% of the total, were trained. This initiative led to an improvement in our Customer Satisfaction (CSAT) score from 1.7 in May 2023 to 2.4 in March 2024.

e. Transformational Leadership Development Program: Implemented to enhance leadership capabilities at the departmental head level. Currently, 32 participants are enrolled in this program.

f. Central Processing Center (CPC) 0.5 Initiative: Implemented at MMFSL to digitize, standardize, and centralize the customer onboarding process. Training was conducted for 5900+ employees across 500+ branches, focusing on building awareness in operations and accounts teams.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	26662	16721	63%	25354	22542	89
Female	1319	840	64%	975	847	87
Total	27981	17561	63%	26329	23389	89
Workers						
Male	NA			NA		
Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

- MMFSL has approved a Health & Safety policy.
- We have set up a structured operating procedure to ensure employee health and safety at work.
- Trainings like 'Train the Trainer' programme and safety training are being implemented to raise awareness about emergency procedures, fire safety, and workplace safety.
- We regularly conduct the mock drills for 200+key offices to guarantee Emergency Response Plan (ERP) compliance.
- MMFSL has a designated Emergency Response Team (ERT) member in nearly 1200+ offices.
- We have completed 1000+safety audits across our branches.
- We have added safety equipment such as fire alarms, CCTV, and electrical safeguards to ensure staff safety.
- The health and safety procedure has undergone external audits such as ISO 27001, EY, KPMG, and TMW benchmarking.
- MMFSL created the Ziman mobile app specifically for female employees, branch accountants, cashiers, and senior leadership. It helps transmit a triggering alarm in the event of an emergency.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

A Hazard Identification and Risk Assessment (HIRA) approach has been developed to detect work-related dangers for routing and non-routine operations. It is currently being implemented in ~120 offices which fall under the category of floor size of at least 2000 sq ft.

The Mitkat Risk Tool has been designed by MMFSL to meet the operational and crisis management requirements. The tool is designed to provide real-time risk alerts, tailored to our business continuity planning (BCP) efforts. Mitkat provides an integrated and holistic approach to risk management and analyze information of incidents or events happened around MMFSL offices. It helps to reduce the risk exposure and initiate mitigation strategies to further increase the organization resilience. The tool has demonstrated its ability to risk alerts and provide insights on potential threats to our BCP.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

MMFSL does not hire workers for its business activities.

MMFSL has a specialized structured incident reporting and corrective action plan that allows employees to report work-related hazards or incidents. We developed a digital Smart Serve method for reporting work-related hazards and corrective actions taken.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	**Employees**	0	0.001
	Workers	NA	NA
Total recordable work-related injuries	**Employees**	0	1
	Workers	NA	NA
No. of fatalities	**Employees**	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	**Employees**	0	0
	Workers	NA	NA

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

MMFSL has a dedicated environment health and safety team that focuses on this aspect. Following are the safety measures taken to ensure a safe and healthy workplace.

- MMFSL has an approved health and safety policy.
- Promoting safety campaigns for employees involving senior leadership.
- Provision for Infra safety like fire alarm panel, fire extinguishers, electrical safety measures.
- Conducting workshops for workplace safety trainings for employees.
- Undertaking safety Audits for offices to ensure safety compliance at workplace.
- Provision of heating panel, ventilation, and ramp for work place safety of the employees.
- Setup of Governance model for review of safety processes and implementation.
- Provision of Women safety ambassador program for female employees on awareness for safety.

13. Number of Complaints on the following made by employees and workers:

	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaint filed	0	0	No complaint filed
Health & Safety	0	0	No complaint filed	0	0	No complaint filed

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	91%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There has been no concern or significant risk arising from health & safety practices and working conditions at MMFSL, hence, corrective action is not applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)- Yes, the Company provides its employees with the Group Term Life Insurance, Personal Accident cover, Employee Death Life Insurance, Provident Fund Benefit and Gratuity Benefit.

(B) Workers (Y/N). Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

MMFSL works towards greater integration of environmental & social considerations in its procurement practices by setting clear expectations with vendors and suppliers to abide by labour laws, human rights and regulations in their regions of business. The organisation strives to influence its partners in the value chain to participate in the responsible and sustainable business conduct depending upon their means and resources through contractual commitments, seeking confirmations of compliance depending on the nature of product / services rendered.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Employees	NIL			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

The Company extends the benefit of Mediclaim policy to the employee (Manager Grade and above) and his/her spouse after retirement till the age of 75 years. However the company has not undertaken any retrenchment of employees till now. In case in the future, when such step is required to be taken due to any unavoidable circumstances, the Company will actively undertake such activities for the outgoing employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We have assessed the following 4 key value chain Partners for Health & safety aspects, in compliance to the safety norms: - **a.** Avenue System-Provides fire alarm and fire extinguisher services for MMFSL **b.** JCI Pvt. Ltd.-Provides CCTV and Access control for MMFSL **c.** KIAM System - Provides CCTV and Intruder alarms for MMFSL **d.** ANG Pvt. Ltd.- Provides CCTV and Intruder alarms for MMFSL
Working Condition	Found Satisfactory

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There has been no concern or substantial risk associated with MMFSL's health and safety practices and working environment, thus corrective action is not required.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Our stakeholders play a crucial role in our success and development. There are many ways in which our actions are linked to their progress and welfare. By overcoming several challenges and adversities in times of crisis, we have been able to fortify our shared trust and stay committed to our goals for the expansion of both our Company and society at large. With the goal to sustain strong, dependable relationships with our stakeholders, we proactively communicate with them throughout the year. Through official and informal channels, the Company communicates with a wide variety of stakeholders to solicit their opinions for the materiality assessment procedure.

The following methods are used to identify the Company's major stakeholder groups:

a) Conducting interviews with significant senior management professionals regarding key stakeholder interactions with MMFSL

b) Conducting interviews with the senior management to understand stakeholders' impact on MMFSL's business and its engagement strategies.

c) Conducting site visits for stakeholder engagement at particular branches that holds significant value for MMFSL

d) Collecting feedback of the stakeholders through employee and customer satisfaction surveys, emails, stakeholder consultation workshops, vendor engagement activities, impact assessment of CSR activities on the communities and through dealer meetups.

e) Mapping out each stakeholder's influence and impact on the company's business operations. The branches are chosen based on factors such as increased commercial activity, climatic vulnerability, and higher level of business participations. We create a shared value while addressing stakeholder concerns and upholding the transparency of our present and future intentions through a rigorous engagement approach.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	Website uploads, Emails, SMS, Community engagement initiatives, Social Media.	Ongoing & Need based	Maintaining a cordial rapport with the local communities in which we conduct business is essential to maintaining our social license to continue operations.
Employees	No	Employee engagement activities, Trainings, Email notifications, Website uploads, based Employee portals, Talent Management and growth opportunity platforms.	Ongoing & Need based	Our employees are at the center of all our operations; their collaborative skill and expertise are essential for our growth and success.
Customers	No	Customer meets, Dealer/ Original Equipment Manufacturer (OEM) events	Ongoing, weekly, monthly	Customer feedback or 'the Voice of the Customer' as we refer to it, is essential for cost optimization, service performance, quality enhancement, and process changes.
Regulators	No	Quarterly & Annual compliance reports, continued engagement and representation	Need based	Essential for ensuring adherence to rules, their interpretation, and continuous operations.
Shareholders/ Investors	No	Newspaper publications, notices, press releases, website uploads, Stock exchange announcements, Annual General Meetings, Integrated Report	Quarterly & need based	As providers of capital, they are key to our growth and expansion plans.
Dealers/OEMs	No	Dealer portal formal mechanism, events	Ongoing	Important for providing enhanced purchase experience along with best after sales service.
Lenders	No	Quarterly and Annual Results	Quarterly / Annual	A positive relationship enables us to raise growth capital in a timely and cost-effective manner.
Vendors/ Suppliers	No	Dealer engagement meets	Ongoing	Our operations are directly linked with the timely availability and the services that we source, which has a significant effect on how efficiently we deliver our services.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We carry out regular discussions between the Board and its committees and with the management and concerned department. This helps us to identify important stakeholder concerns and align our efforts with their expectations. The Stakeholder Relationship Committee of the Board sets the policy(ies), supervises the process for handling stakeholder complaints and grievances, and synchronizes stakeholder objectives with corporate strategy. The committee also examines the company's responsibilities to stakeholders in the areas of environment, social, and governance.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, we incorporate stakeholder feedback into our policies and processes. We conduct stakeholder engagements with both internal and external stakeholders for gathering their ideas and opinions to help us prioritize the key material issues that we have identified, which we further include into the development of our ESG roadmap. The thorough report created following the engagement helps to meet company sustainability compliance goals and helps in strategic planning. Their contributions also address climate change which assists in our decision-making for operational and strategic initiatives that support climate resilience. Frequent communication with our wide range of stakeholders strengthens our business performance.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Feedback received from local communities through direct participation and third-party impact evaluations helps us match our CSR activities with the future needs and expectations of local communities and society as a whole.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	26662	26508	99.42%	26329	23517	89.32%
Other than permanent	1319			1328	24	1.8%
Total Employees	**27981**	**26508**	**99.42%**	**27657**	**23541**	**85.11%**
Workers						
Permanent						
Other than permanent		NA			NA	
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category Total (A)	FY 2024 Current Financial Year					FY 2023 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total I (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	26662	-	-	26662	100%	26329	-	-	26329	100%
Male	25567	-	-	25567	100%	25354	-	-	25345	100%
Female	1095	-	-	1095	100%	975	-	-	975	100%
Other than Permanent	1319	-	-	1319	100%	1328	1328	100%	-	-
Male	1095	-	-	1095	100%	1266	1266	100%	-	-
Female	224	-	-	224	100%	62	62	100%	-	-
Workers										
Permanent	NA					NA				
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5*	0.50 Cr#$	2	0.45 Cr
Key Managerial Personnel	3	3.93 Cr	1	1.41 Cr
Employees other than BoD and KMP@	25564	0.04 Cr	1094	0.05 Cr

* 1. Only includes Directors to whom remuneration is paid, i.e. exclusive of Directors who are employees of M&M, Holding Company.

2. Remuneration paid to Mr. Ramesh Iyer and Mr. Raul Rebello, Directors and Key Managerial Personnel, is covered under median remuneration to Key Managerial Personnel.

Inclusive of Commission paid in FY2024 for the financial year FY2023. Commission for FY2024 will be paid in FY2025 and hence not included.

$ Sitting fees to Mr. Ashwani Ghai & Commission to Mr. Siddhartha Mohanty (considered as one in number basis their tenure) was paid to LIC.

@Only permanent employees.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Gross wages paid to females as % of total wages	5.84%	5.00%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (yes/no).

Yes, the Corporate Ombudsman is the focal point responsible for resolving human rights, and they may be reached at grievanceredressal_mmfsl@mahindra.com.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. Respect for human rights is considered as one of the fundamental and core value of MMFSL. MMFSL strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. There are committees and policies put in place to handle grievances and complaints related to human rights issues and these details are placed on the intranet of the Company. MMFSL prohibits and exhibits zero tolerance towards any form of exploitation and abuse like child labour, slavery, forced labour, physical, sexual, psychological, or verbal abuse. Stakeholders can promptly report their concerns that relate to actual or alleged violations of the Code of Ethical Business Conduct including human rights issues and address the complaints / concerns to the corporate ombudsman by sending an email to: grievanceredressal_mmfsl@mahindra.com.

The detailed process is explained in the publicly available policy.

https://www.mahindrafinance.com/wp-content/uploads/2023/07/Human-Rights-Policy.pdf

https://www.mahindrafinance.com/wp-content/uploads/2023/07/Vigil-Mechanism.pdf

6. Number of Complaints on the following made by employees and workers:

	FY 2024 Current Financial Year			FY2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	The allegation was not substantiated. No action taken	1	Nil	The allegation was not substantiated. No action taken
Discrimination at workplace	Nil	Nil		Nil	Nil	Nil
Child Labour	Nil	Nil		Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil		Nil	Nil	Nil
Wages	Nil	Nil		Nil	Nil	Nil
Other human Rights related issues	Nil	Nil		Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2024 Current Financial Year	FY2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.10%	0.10%
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

MMFSL is committed to providing fair employment opportunities and ensuring that employees and job applicants are never subjected to discrimination or unfair treatment. Gender, race, color, nationality, ancestry, religion, physical or mental handicap, health status, sexual orientation, or marital status are not taken into consideration while making the choices. The Company has established procedures under Code of Conduct for senior management and all employees, to address workplace discrimination and harassment.

MMFSL has a gender-neutral Policy on Prevention of Sexual Harassment which applies to all persons associated with MMFSL: employees and visitors. The company has formed an Internal Complaints Committee under the Prevention of Sexual Harassment Act of 2013 and the Vishaka Guidelines. The Internal Complaints Committee is composed of an external member (independent), employees with legal skills, and the female presiding officer. The company has established an internal committee for each circle[1]. The Company has also established mechanism under Whistleblower Policy and POSH Policy for maintaining the confidentiality of any complaints to maintain the sensitivity and discretion for any information which is capable of identifying any party or witness.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others - please specify	100

1. Child labour: MMFSL strictly prohibits child labour. As per the employee database, the employees employed by MMFSL are not less than 18 years of age.
2. Forced/involuntary labour: MMFSL does not employ forced / involuntary labour.
3. Sexual harassment: MMFSL has a gender-neutral Policy on Prevention of Sexual Harassment which applies to all persons associated with MMFSL: employees and visitors. A dedicated Internal Complaints Committee is constituted at the Head office and 7 circles, covering PAN India locations, representing members from varied functions, to ensure timely reporting and speedy resolution of sexual harassment cases in an unbiased manner.
4. Discrimination at workplace: MMFSL does not discriminate against or treat unfairly to the employees or job applicants, and is committed to providing equal opportunity in employment. No decisions are made on the basis of gender, race, colour, nationality, ancestry, religion, physical or mental disability, medical condition, sexual orientation, or marital status. The same is mentioned in the Code of conduct and all the employee and senior management are bound by it.
5. Wages: All the employees of MMFSL are paid salary as per the applicable statutes.

[1] Circle office: MMFSL has designated 7 circle offices strategically distributed across India to streamline its operations. Each of these offices oversee several other offices which are under their area of responsibility.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

MMFSL did not received any human rights complaint in the FY2024. We have a method of continuous monitoring to ensure that human rights are consistently upheld within the organization. The Board has approved policies regarding the Code of Conduct (COC), Anti-Bribery and Anti-Corruption (ABAC), Prevention of Sexual Harassment (POSH), and Whistleblower (WB) policy. Pursuant to approval of the Board of Directors, these policies are prominently showcased on the company's website for all the concerned parties to access. The company has reinforced the importance of these policies being thoroughly understood by its employees; and developed an e-learning training module for the same.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company conducts regular internal assessments to monitor if there is a negative impact on our stakeholders' human rights. We are planning to establish a due diligence process which will help us in checking and ensuring Compliances on aspects of human rights and regulations.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, MMFSL premises are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Necessary actions are taken when opening or relocating branches. To mention a few:

1. Preference for ground floor.
2. Feasibility of creating ramps & railings.
3. PWD friendly washrooms.
4. Branch layouts are being designed considering the easy access/ passage for PWDs.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We are in process of developing a due diligence process for our value chain partners, which will help us in checking and ensuring compliances on aspects of human rights and regulations. As a part of our existing compliance efforts, it is mandatory for all our suppliers to sign the suppliers code of conduct stating that their business is in compliance of all human rights and other laws mandated by legal body.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NIL

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources-		
Total electricity consumption (D)	51,132.21 GJ	81,323.42 GJ
Total fuel consumption (E)	30,507.46 GJ	31,138.90 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	81,639.67 GJ	1,12,462.32 GJ
Total energy consumed (A+B+C+D+E+F)	81,639.67 GJ	1,12,462.32 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	6.02 GJ per Cr. of turnover	10.17 GJ per Cr. of turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	12.62 GJ/million USD	21.32 GJ/million USD
Energy intensity in terms of physical Output	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	2.92 GJ per employee	4.30 GJ per employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes - DNV Business Assurance India Private Limited

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable. However, current energy efficiency legislations are followed across all branches to maximize energy savings through measures such as the installation/replacement of energy efficient electrical fittings such as LEDs, 5-star rated ACs, and BLDC motor fans.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,59,491.70	2,33,559.00
(ii) Groundwater	NA	NA
(iii) Third party water	10,099.90	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,69,591.64	2,33,559.00
Total volume of water consumption (in kilolitres)	10,099.90	2,33,559.00
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.74 KL per Cr. of turnover	21.12 KL per Cr. of turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	26.21 KL/ million USD	44.28 KL/ million USD
Water intensity in terms of physical Output	-	-
Water intensity (optional) - the relevant metric may be selected by the Entity	6.06 KL per employee	8.87 KL per employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes - DNV Business Assurance India Private Limited

4. Provide the following details related to water discharged:

Parameter		FY 2024	FY 2023
Water discharge by destination and level of treatment (in kilolitres)			
(i)	**To Surface water**		
-	No treatment	159,491.7	233,559
-	With treatment - please specify level of Treatment	-	-
(ii)	**To Groundwater**		
-	No treatment	-	-
-	With treatment - please specify level of Treatment	-	-
(iii)	**To Seawater**		
-	No treatment	-	-
-	With treatment - please specify level of Treatment	-	-
(iv)	**Sent to third-parties**		
-	No treatment	-	-
-	With treatment - please specify level of Treatment	-	-
(v)	**Others**		
-	No treatment	-	-
-	With treatment - please specify level of Treatment	-	-
Total water discharged (in kilolitres)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes, DNV Business Assurance India Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Our water usage is primarily for employee consumption and we take measures to judiciously control the same.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY - 2024	FY - 2023
NOx	g/KW-hr	2.10	0.27
Sox	-		-
Particulate matter (PM)	g/KW-hr	0.44	0.11
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others- Please specify			
SO2	mg/Nm³	<1	0.048
Non-Methane Hydrocarbon	g/KW-hr	<0.001	0.12
Carbon Monoxide	g/KW-hr	0.63	0.14

We have increased the DG Stack Emission Testing from 10 Location (as for FY 2023) to 20 locations (for FY 2024). We shall gradually increase the number of locations for FY 2025 as well.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, Shiva Analytics.

Please note: For FY-2024, the assessment was conducted by a different entity compared to FY-2023. Therefore, the data for sulfur dioxide (SO2) is provided only in mg/Nm3, unlike FY-2023, where it was presented in g/kWh.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY - 2024 (Current Financial Year)	FY - 2023 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO_2 equivalent**	1,894.51 tonnes	2,008.19 tonnes
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	10,169.63 tonnes	16,038 tonnes
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent per Cr. of turnover	0.89 tonnes per Cr. of turnover	1.63 tonnes per Cr. of turnover
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent per million USD	1.86 tonnes per million USD	3.42 tonnes per million USD
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	Tonnes Co2e/ Employee	0.43 tonnes/employee	0.69 tonnes/employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, DNV Business Assurance India Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, MMFSL has deployed some technological solutions which helps it in reducing the energy consumption. Some of the methods namely:

a. the installation of higher efficiency Air Conditioners. I.e. previously owned 3-star fixed speed ACs are now replaced with 5-star inverter ACs at branches,

b. all the new procurement of ACs is 5-star inverter ACs, resulting in 0.96 lacs kWh electricity being saved, and

c. replacing the conventional fans with BLDC fans at 104 branches, saving 0.13 lacs kWh electricity.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY - 2024 (Current Financial Year)	FY - 2023 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	0.0149
E-waste (B)	43.87	59.51
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	34.49	17.50
Total (A+B + C + D + E + F + G + H)	78.36	77.01

Parameter	FY - 2024 (Current Financial Year)	FY - 2023 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.01 per Cr. of turnover	0.01 per Cr. of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.01 tonnes per million USD	0.02 tonnes per million USD
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	0.002800472 tonnes per employee	0.002924912 tonnes per employee
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	78.36	76.51
(ii) Re-used	_	-
(iii) Other recovery operations	_	-
Total	78.36	76.51
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes, DNV Business Assurance India Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

MMFSL, as a financial service sector provider, does not generate any hazardous or toxic chemical waste. As part of our waste management practice, the company recycles its E-waste and paper-based garbage annually through a government-registered vendors, which is validated by an external agency.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable as MMFSL is a financial services company, and we do not have operations/offices in and around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable as MMFSL is a financial services company, it does not manufacture any products.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable. However, MMFSL is compliant with all applicable environmental law/ regulations/ guidelines in India.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following

Parameter	FY - 2024 (Current Financial Year)	FY - 2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes, DNV Business Assurance India Private Limited.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO_2 equivalent**	15,583.88 tonnes Co_2	15,625.54 tonnes Co_2
Total Scope 3 emissions per rupee of turnover		1.15 tCO_2e per Cr. of turnover	1.41 tCO_2e per Cr. of turnover
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	Tonnes emission per employee	0.56 tonnes/employee	0.59 tonnes/employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes, DNV Business Assurance India Private Limited.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Procurement of efficient 5-star Acs	Installation of higher efficiency Air Conditioners i.e. old 3-star fixed speed ACs are replaced with 5 star inverter ACs at our branches.	Savings of 1.1 lakhs kWh electricity
2	Procurement of efficient Brushless Direct Current (BLDC) fans:	Replacement of conventional fans with BLDC fans for reducing energy consumption	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, in order to have robust framework & process for Business continuity, your Company has implemented Business Continuity Policy which inter-alia includes identification, monitoring, reporting, responding and managing the risks including mitigating risks of a significant / prolonged business disruption in order to protect the interests of the Company's customers, employees and stakeholders.

Your Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management and governance standards in the organisation.

Your Company has an Emergency Response Control Plan, which also covers the disaster management plan. The Risk team has developed a business continuity strategy called the Mitkat risk framework, which is currently in the development stage. The framework is being created to identify risks and prevent any disruption of key services.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Environment impacts from the value chain partners are not evaluated as the supply chain partners pertain to the financial -operations services.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Due diligence is carried out for all value chain partners; however, environmental implications are not evaluated because supply chain partners provide only the financial and operational services.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

MMFSL is linked with several trade and industry chambers/associations to create a collaborative environment that helps us gain expertise, build a network, improve our reputation, advertise, educate, market, and push the government for policy changes that benefit business and society.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Industry Development Council (FIDC)	National
2	Confederation of Indian Industry (CII)	National
3	Bombay Chamber of Commerce & Industry	State
4	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
5	The Associated Chambers of Commerce & Industry Of India (Assocham)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Through our value creation process, we strive to achieve common goals and routinely work along with regular engagements with our stakeholders to advance public policies that are important to us and the financial services industry. Our stakeholder groups are the foundation of our growth story, and our existence is inextricably linked to their success and well-being in a variety of ways. Despite difficulties during crisis situations, we were able to deepen our mutual trust and remain committed to our collective goals through effective lobbying and conversation at forums. We aim to create shared value over time through robust engagement procedures and systems. Our attempts to foster a strategic and proactive discourse by advocating our ideas on recognized association platforms allow us to obtain a better understanding of our business drivers and societal demands. This has helped us improve our internal processes, capitalize on business opportunities, reduce our operational risk and remain ahead of competition while creating greater value for all stakeholders.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
				Not Applicable		

3. Describe the mechanisms to receive and redress grievances of the community.

Implementation partners have developed grievance redressal mechanisms to deal with the beneficiaries, as below:

a. Skilling and Livelihood Project:

- Beneficiaries can raise grievances via phone call, email, or at the official branch or center. Also, there are complaint boxes kept in the training centers managed by the implementation partners to report grievances.

- If the grievance is resolved within three working days, the resolution and acknowledgment are communicated to the complainant.
- All complaints are addressed within a maximum of 30 days of the complaint's receipt.
- All complaints are monitored and marked as closed only after resolution of the grievance.

b. Scholarship Projects:

- Grievances can be raised by applicants, scholars, partners, and employees against an employee of the implementation organization.
- Concerns or complaints should be made via email, detailing the nature of the concerns or complaints (c-o-c) by the complainant within not more than 30 days of the matter or issue of occurrence.
- All concerns or complaints received are managed and addressed with strict confidentiality.
- The Management Steering Committee (MSC) acknowledges the c-o-c within 3 working days upon receiving it.
- The MSC is expected to undertake and complete this step in 7 working days from the day of getting in touch with the complainant.

Similar to these mechanisms, as mentioned above, our implementation partners have developed mechanisms to receive and redress grievances from the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024 Current Financial Year (in %)	FY 2023 Previous Financial Year (in %)
Directly sourced from MSMEs/ small Producers	13.15	5.77
Directly from within India	100	100

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Rural	49%	52%
Semi-urban	6%	6%
Urban	22%	22%
Metropolitan	23%	20%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Andhra Pradesh	Visakhapatnam	790103
2	Andhra Pradesh	Vizianagaram	621163
3	Bihar	Aurangabad	15625
4	Bihar	Jamui	148940
5	Bihar	Khagaria	56441
6	Bihar	Muzaffarpur	50169
7	Bihar	Purnia	48602
8	Bihar	Sheikhpura	31250
9	Bihar	Sitamarhi	59576
10	Gujarat	Dahod	264957
11	Jammu And Kashmir	Baramulla	714914
12	Jammu And Kashmir	Kupwara	661609
13	Jharkhand	Bokaro	195974
14	Jharkhand	Dumka	1828125
15	Jharkhand	Godda	46875
16	Jharkhand	Gumla	109375
17	Jharkhand	Khunti	62500
18	Jharkhand	Latehar	86176
19	Jharkhand	Lohardaga	48443
20	Jharkhand	Pakur	46875
21	Jharkhand	Ramgarh	54873
22	Jharkhand	Ranchi	2155179
23	Jharkhand	Simdega	145540
24	Karnataka	Bijapur	27193
25	Karnataka	Raichur	11515
26	Madhya Pradesh	Barwani	109375
27	Madhya Pradesh	Chhatarpur	15625
28	Madhya Pradesh	Rajgarh	15625
29	Maharashtra	Nandurbar	30418
30	Maharashtra	Washim	15209
31	Punjab	Firozpur	62712
32	Punjab	Moga	5315291
33	Tamil Nadu	Ramanathapuram	434279
34	Tamil Nadu	Virudhunagar	34544
35	Uttar Pradesh	Chandauli	11515
36	Uttar Pradesh	Chitrakoot	1028083
37	Uttarakhand	Haridwar	34544
Total			**1,53,89,214**

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - No.

(b) From which marginalized /vulnerable groups do you procure?

MMFSL being a financial service provider, the entity does not have any major procurement for its services. However, MMFSL strives to procure locally, sustainably and from marginalized / vulnerable suppliers, as well as MSME's for requirements in areas like branch assets. We give preference to local suppliers of goods and services to help create employment/economic opportunities in the local communities.

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		Not Applicable		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Financial & Digital Literacy Awareness	26,245	100%
2	Swabhimaan-Scholarship for Driver's Children	2,271	100%
3	Swabhimaan-Road Safety Training for Drivers	15,596	100%
4	Swabhimaan-Drivers Training for Freshers	960	100%
5	Swabhimaan-E Auto Rickshaw Training	350	100%
6	Nanhi Kali	20,424	100%
7	Mahindra Pride Classroom	41,825	100%
8	Skill Development for People with Disability (PwDs)	263	100%
9	Swachh Bharat Initiatives	3,483	100%
10	Samantar- Visit to Orphanage/Old Age	1,125	100%
11	Gyandeep- Visit to Municipal Schools	1,448	100%
12	Sehat- Health Camps	1,630	100%
13	Jeevandan - Blood Donation	3,946	100%
14	ESG- Water conservation	546	100%
	Total	**1,20,112**	

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

There are multiple modes for customers to interact with MMFSL. MMFSL offers both offline and online channels for customer grievances/concerns. Online/digital channels include:

- website,
- social media,
- email,
- WhatsApp, and
- the MMFSL mobile app.

We understand that digital access may not be suitable for everyone, so we also offer offline channels such:

- toll-free number for customer calls,
- letter deposits, and
- branch walk-ins.

MMFSL strives for continuous development and enhancement of these mediums to provide simple, effective, and efficient interaction with MMFSL.

Customers can contact MMFSL to raise queries, requests, or complaints through the following means:

a. Send an email to the designated customer care/grievance email ID - service.mmfsl@mahindra.com and a WhatsApp message to 7066331234.

b. Visit the company's official website: https://www.mahindrafinance.com/

c. Download the MMFSL mobile app for Android http://bit.ly/GetMFApp and for iPhone https://bit.ly/dwnld_MFAPP

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	
Recycling and/or safe disposal	

MMFSL is not a product company but a provider of financial services. We ensure safe and responsible usage of our materials and the recycling and/or safe disposal of our waste- both electronic and otherwise.

3. Number of consumer complaints in respect of the following:

	FY 2024 (Current Financial Year)		Remarks	FY 2023 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	NA	NA	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	43	37	-
Unfair Trade Practices	0	0	-	299	262	-
Other	0	0	-	337	309	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy -

Yes, MMFSL has public policy to address cyber security and risks related to data privacy which covers all customers, shareholders and employees. Currently the data privacy policy is under review as per the DPDPA, 2023.

Link to the policy- https://www.mahindrafinance.com/privacy-policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services -

The Company ensures that the brand reputation is maintained through authentic, non-misleading and non-discriminatory advertisements. With respect to cyber security, the Company experienced one incident, which resulted in non-availability of certain applications for a period of 4 days. The Company engaged with technical experts to restore the impacted applications.

7. Provide the following information relating to data breaches:

a. **Number of instances of data breaches -** 01

b. **Percentage of data breaches involving personally identifiable information of customers -** 100%

c. **Impact, if any, of the data breaches -** The Company experienced a cyber-security incident on 16th of March 2024, which resulted in non-availability of certain applications for a period of 4 days. The Company engaged with cyber security experts to restore the impacted applications. By 22nd March 2024, the Company built back the impacted systems, and an investigation confirmed that all the servers containing data pertaining to books of account had no evidence of unauthorised access. Although indeterminable, the Company considers the impact level to be low.

Leadership Indicators Marketing

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):**

   The information on various products & services of the Company is available on our website: www.mahindrafinance.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   As a responsible corporate, it is imperative not just to conduct business with customers but also to educate and spread awareness among them about the benefits and potential harm that may result from fraud in the services. The MMFSL group has mechanisms to inform customers about the usage of products and services offered:

   a. Implementation of an end-to-end customer onboarding process.

   b. Routinely sharing anti-fraud communication with customers.

   c. Providing regular details on digital assets and touchpoints.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company have robust mechanisms in place for communicating with consumers regarding any risk of disruption/discontinuation of essential services. Both digital and offline mediums of communication are used for consumer information. Digital medium includes SMS and WhatsApp communication while in the past we have also used print advertisements for communicating important disruptions / discontinuation.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes, MMFSL displays its services information over and above what is mandated as per local laws. The information is displayed through brochures, pamphlets, and website. Our product related information is displayed/available at all our branches as well as on the website. Customers can also access loan-related information via our mobile app.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, the CAPS study (Customer as Promoters) is conducted annually, in which consumers are interviewed over the phone about different aspects of MMFSL such as services, workers, digital interface, etc. A monthly NPS (Net Promoter Score) survey is done to assess the advocacy levels of recently onboarded customers and those who have received NOCs.

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INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Mahindra & Mahindra Financial Services Limited (Corporate Identity Number L65921MH1991PLC059642, hereafter referred to as 'MMFSL or 'the Company') to undertake an independent assurance of the Company's non-financial disclosures in general BRSR report.

Reporting standard/framework

The disclosures have been prepared by MMFSL in reference to:

- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's Verisustain Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.

Intended User

The intended user of this assurance statement is the Management of MMFSL ('the Management').

Level of Assurance

- Limited Level of assurance for Non-Financial disclosures general BRSR report (Ref: Annexure II of SEBI circular).

Responsibilities of the Management of MMFSL and of the Assurance Provider

The Management of MMFSL has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in the BRSR. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. MMFSL is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

Scope

The scope of our engagement includes independent limited level of assurance of non-financial disclosures in general BRSR (Ref: Annexure II of SEBI circular) for Financial Year (FY) 2023-24.

Boundary of our assurance work:

Limited level of assurance of non-financial general BRSR Indicators: Boundary covers the performance of MMFSL operations across all locations that fall under the direct operational control of the Company's Legal structure. For GHG footprint, water footprint, energy footprint, air emissions and waste management related disclosures, regional offices have been excluded from the boundary. Furthermore, for waste management related disclosures, overseas offices have been excluded from the boundary.

Limitation(s):

We performed a limited level of assurance for the general BRSR reporting based on our assurance methodology VeriSustain™, v06.

The assurance scope has the following limitations:

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- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of MMFSL. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

1. Reviewed the disclosures under general BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
2. Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in general BRSR report.
3. Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
4. Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
5. Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
6. DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annex-I.
7. Reviewed the process of reporting as defined in the assessment criteria.
8. DNV teams conducted the:
   - Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
   - Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ for limited level verification for the disclosures.

Conclusion

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the disclosures do not properly adhere to the reporting requirements as per general BRSR reporting guidelines (Annexure II of SEBI Circular).

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Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – Conformity assessment – General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of MMFSL. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to MMFSL in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the MMFSL and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Digitally signed by Chaudhari, Tushar Date: 2024.06.22 16:16:38 +05'30'	Date: 2024.06.22 19:16:23 +05'30'
Tushar Chaudhari Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Anjana Sharma Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Sameeksha Patil (Verifier)	

22/06/2024, Pune, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[1] *DNV Corporate Governance & Code of Conduct - https://www.dnv.com/about/in-brief/corporate-governance.html*

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Annex I

Verified Data

Principle 6, Question 1 of Essential Indicators – Energy footprint

Parameter	Unit of Measurement	FY 23-24
From renewable sources		
Total electricity consumption (A)	Gigajoules	0
Total fuel consumption (B)	Gigajoules	0
Energy consumption through other sources (C)	Gigajoules	0
Total energy consumed from renewable sources (A+B+C)	Gigajoules	0
From non-renewable sources		
Total electricity consumption (D)	Gigajoules	51,132.21
Total fuel consumption (E)	Gigajoules	30,507.46
Energy consumption through other sources (F)	Gigajoules	0
Total energy consumed from non-renewable sources (D+E+F)	Gigajoules	81,639.67
Total energy consumed (A+B+C+D+E+F)	Gigajoules	81,639.67
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/crore	6.02
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/million USD	12.62
Energy intensity in terms of physical output	GJ/employee	2.92

Principle 6, Question 3 & 4 of Essential Indicators – Water footprint

Parameter	Unit of Measurement	FY 23-24
Water withdrawal by source		
(i) Surface water	Kilo litres	159,491.7
(ii) Ground water	Kilo litres	0
(iii) Third party	Kilo litres	10,099.939
(iv) Seawater / desalinated water	Kilo litres	0
(v) Others	Kilo litres	0
Total volume of water withdrawal (i+ii+iii+iv+v)	Kilo litres	169,591.639
Total volume of water consumption	Kilo litres	10,099.939
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	Kl/crore	12.50
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	Kl/million USD	26.21
Water intensity in terms of physical output	Kl/employee	6.06
Water discharge by destination and level of treatment		
(i) To Surface water		
No treatment	Kilo litres	159,491.7
With treatment – please specify level of treatment	Kilo litres	0

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(ii) To Groundwater		
No treatment	Kilo litres	0
With treatment – please specify level of treatment	Kilo litres	0
(iii) To Seawater		
No treatment	Kilo litres	0
With treatment – please specify level of treatment	Kilo litres	0
(iv) Sent to third-parties		
No treatment	Kilo litres	0
With treatment – please specify level of treatment (Tertiary treatment)	Kilo litres	0
(v) Others		
No treatment	Kilo litres	0
With treatment – please specify level of treatment	Kilo litres	0
Total water discharged (i+ii+iii+iv+v)	Kilo litres	159,491.7

Principle 6, Question 7 of Essential Indicators - Green-house gas (GHG) footprint

Parameter	Unit of Measurement	FY 23-24
Total Scope 1 emissions	Metric tonnes of CO2 equivalent	1,894.51
Total Scope 2 emissions	Metric tonnes of CO2 equivalent	10,169.63
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent per crore of turnover	0.89
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent per million USD	1.86
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 equivalent per employee	0.43

Waste data verified:

Parameter	Unit of Measurement	FY 23-24
E-Waste recycled	Metric tonnes	43.87

Scope 3 emissions data verified:

Parameter	Unit of Measurement	FY 23-24
Category 1 Purchase goods and services (Paper consumption)	Metric tonnes of CO2 equivalent	283.88
Category 6 Business travel (Air travel, field travel-two wheeler)	Metric tonnes of CO2 equivalent	2,205.82
Category 1 Employee commute (contract bus, cab, private car)	Metric tonnes of CO2 equivalent	13,094.17

Note 1: GHG emissions are calculated as per grid emission factor by CEA, India, version 19, ICEC Carbon emission calculator, Defra emission factors database

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Annex II

Sites selected for audits

S.no	Site	Location
1.	Head office	Mumbai
2.	India Branches	Uppala, Kottayam (Kerala), Cochin, Haveri, Simla Ro, Gandhinagar, Berhampur, Hyderabad Ro, Shahapur

DNV Business Assurance India Pvt. Ltd. DNV-24-ASR-703217

Independent Auditor's Report

To The Members of

Mahindra & Mahindra Financial Services Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra & Mahindra Financial Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note 42 (ii) to the standalone financial statements, which describes the impact of a fraud in respect of retail vehicle loans in one of the branches of the Company.

Our opinion is not modified in respect of this matter.

We draw attention to Note 43 to the standalone financial statements, which describes that the Company may incur cost associated with incident which are currently indeterminable as at the date of this Report.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	Auditor's response
1	Allowances for Expected Credit Losses ("ECL"): As at 31st March 2024, the carrying value of loan assets measured at amortised cost, aggregated ₹ 99,195.18 crore (net of allowance of expected credit loss ₹ 3401.59 crore) constituting approximately 86% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Standalone Financial	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Our audit procedures related to the allowance for ECL included the following, among others:

Sr. No.	Key audit matter	Auditor's response
	Statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer Note 2.5(ii), 2.11(h), 6 and 50.2 to the Standalone Financial Statements).	Testing the design and operating effectiveness of the following: • completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied; • completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and • accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic adjustment basis forward looking information.. Test of details on a sample in respect of the following: • accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • the mathematical accuracy of the ECL computation by using the same input data as used by the Company; • completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed; • assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in standalone financial statements are appropriate and sufficient.
2.	Information Technology and General Controls: The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements.

Information other than the financial statements and auditor's report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, (including annexures thereto), Business Responsibility and sustainability report and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information"), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 The Auditor's responsibilities Relating to Other Information.

Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative

factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in i (vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the Directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a Director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. During the year, the Company has regularly transferred the required amounts to the Investor Education and Protection Fund except for the delay in one instance for transfer of ₹ 1,538 only. Refer Note 17 of the Standalone Financial Statement.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

      As stated in note 22(ii) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

      vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes.

      Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for the period for which the audit trail feature was enabled and operating.

      As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Mukund M. Chitale & Co.
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYQ7894)

Place: Mumbai
Date: 4th May 2024

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVK5704)

Place: Mumbai
Date: 4th May 2024

Annexure A

To The Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the internal financial controls with reference to standalone financial statements under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")

We have audited the Internal Financial Controls with reference to Standalone Financial Statements of Mahindra & Mahindra Financial Services Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls with reference to Standalone Financial Statements based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of internal financial controls with reference to standalone financial statements

A Company's Internal Financial Controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Standalone Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls with reference to Standalone Financial Statements and such Internal Financial Controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for Internal Financial Control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For Mukund M. Chitale & Co.
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYQ7894)

Place: Mumbai
Date: 4th May 2024

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVK5704)

Place: Mumbai
Date: 4th May 2024

Annexure B

To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra & Mahindra Financial Services Limited on the financial statements as at and for the year ended 31st March 2024)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-Of-Use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, were physically verified during the year by the management, in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on the examination of the documents provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks on the basis of security of loans (assets). We have observed reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences / reconciliation items are given in note no. 17 of the standalone financial statements of the Company.

(iii) As explained in note 1 to the standalone financial statements, the Company is a deposit-taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") and as a part of its business activities is engaged in the business of lending across various types of customers which include retail and SMEs.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable;

(b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;

(c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.5(ii) and 2.11(h) to the standalone financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31 March 2024, aggregating ₹3,490.90 crore were categorised as credit impaired ("Stage 3") and ₹5,159.73 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 61 to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at 31 March 2024 aggregating ₹93,946.14 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of principal and payment of interest aggregating ₹1,781.24 crore were also identified, albeit of less than 31 days. In all other cases, the repayment of principal and interest is regular as at 31 March 2024. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at 31 March 2024 is ₹1,459.55 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not advanced loans or made investments in or provided guarantee or security to parties covered by section 185 of the Act and the provisions of Section 186 of the Act are not applicable to the Company. Hence reporting under clause 3 (iv) of the Order is not applicable.

(v) In our opinion, the Company had complied with the directives issued by the Reserve Bank of India with regards to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being Non-banking finance company registered with RBI, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 & the Companies (Acceptance of deposits) Rules, 2014, as amended, are not applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were following undisputed amounts payable in respect of Provident Fund and Profession Tax in arrears as at 31st March 2024, for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the Dues	Amount due in ₹	Period to which the amount relates	Due Date	Date of Payment (If paid)	Remarks
Profession Tax - Tripura	Profession Tax	1,72,634	Apr'23 to Sept'23	30th September 2023	22nd April 2024	Due to delay in registration
Profession Tax - Manipur	Profession Tax	47,300	Apr'23 to Mar'24		23rd April 2024	
Provident fund	PF contribution	4,40,099	Apr 2023 -Sep 2023	Various due dates		Due to pending Aadhar verification of employees

(b) Details of dues of Income-tax, Value Added Tax and Service Tax Act which have not been deposited as on 31st March, 2024, on account of disputes are given below:

₹ Crore

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	474.12	For FY 2002-03; 2013-14; 2014-15; 2015-16; 2016-17; 2017-18; 2018-19	Commissioner of Income Tax (Appeals)
Andhra Pradesh VAT	Value Added Tax	1.24	April 2008 - October 2013	Andhra Pradesh High Court
Madhya Pradesh VAT	Value Added Tax	0.07	FY 2013-14; 2014-15; 2015-16; 2016-17	Appellate Authority of Commercial Taxes, Bhopal
Maharashtra VAT	Value Added Tax	0.87	2010-11	Maharashtra Sales Tax Tribunal
Maharashtra VAT	Value Added Tax	7.08	FY 2011-12; 2012-13; 2013-14; 2014-15; 2015-16	Dy Comm. of Sales Tax (Appeal)
Maharashtra - Service Tax	Service Tax	88.62	FY 2008-2015	CESTAT, Mumbai
GST Chennai	GST	12.69	July 2017 - March 2021	DGGSI Chennai Zonal Unit
GST Other states	GST	18.64	FY 2017-18	GST Authority

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) On an overall examination of the Standalone financial statements of the Company, funds raised on short-term basis have, *prima facie*, have not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Accordingly, paragraph 3 (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) 1. To the best of our knowledge, no fraud by the Company has been noticed or reported during the year.

2. There have been instances of frauds on the Company involving forgery of KYC and asset related documents leading to embezzlement of the Company's funds amounting to ₹ 181 crore (outstanding recoverable balance of ₹ 135.9 crore as of March 31, 2024), at its Branch in Aizawl, Mizoram (the Branch) in respect of retail vehicle loans live as on March 31, 2024 - refer Note 42(ii) to the Standalone Financial Statements.

3. In addition, an instance of fraud against the company amounting to ₹ 2.49 Crore involving KYC documents was reported during the year also refer (xi) (b) below.

(b) Report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us during the year, in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, in relation to frauds identified by the Management also refer (xi) (a) (3) above.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. The Company needs to enhance the coverage / scope of the internal audit in certain areas.

(b) We have taken into consideration, the reports of the Internal Auditors received by the company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

(b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not a Core Investment Company (CIC) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined under Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has 4 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, the provisions of clause 3(xviii) of the Order are not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable;

(b) In respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

For Mukund M. Chitale & Co.
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYQ7894)

Place: Mumbai
Date: 4th May 2024

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVK5704)

Place: Mumbai
Date: 4th May 2024

Standalone Balance Sheet

as at 31st March 2024

(₹ in Crores)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	311.07	249.75
b) Bank balance other than (a) above	4	2,378.04	2,582.31
c) Receivables			
- Trade receivables	5	24.74	21.84
d) Loans	6	99,195.18	79,454.73
e) Investments	7	9,650.82	9,988.62
f) Other financial assets	8	806.78	1,589.28
		112,366.63	**93,886.53**
Non-financial Assets			
a) Current tax assets (Net)		609.78	504.36
b) Deferred tax assets (Net)	9 (i)	691.08	637.24
c) Property, plant and equipment	10	811.11	681.20
d) Intangible assets under development		105.10	-
e) Other Intangible assets	11	14.61	14.35
f) Other non-financial assets	12	560.90	492.87
		2,792.58	**2,330.02**
Total Assets		**115,159.21**	**96,216.55**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	13	335.27	180.70
b) Payables	14		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,459.47	1,126.57
II) Other payables			
i) total outstanding dues of micro enterprises and small enterprises		2.80	2.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		62.62	37.12
c) Debt securities	15	26,725.94	24,745.07
d) Borrowings (Other than debt securities)	16	54,318.83	41,234.06
e) Deposits	17	7,174.74	5,524.60
f) Subordinated liabilities	18	4,005.66	3,442.13
g) Other financial liabilities	19	2,441.33	2,384.28
		96,526.66	**78,677.15**
Non-Financial Liabilities			
a) Current tax liabilities (net)		119.26	65.67
b) Provisions	20	205.13	260.74
c) Other non-financial liabilities	21	150.67	124.08
		475.06	**450.49**
EQUITY			
a) Equity share capital	22	246.88	246.72
b) Other equity		17,910.61	16,842.19
		18,157.49	**17,088.91**
Total Liabilities and Equity		**115,159.21**	**96,216.55**
The accompanying notes form an integral part of the Standalone financial statements.	1 to 63		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4 May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4 May 2024

Standalone Statement of Profit and Loss

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Note	Year ended 31st March 2024	Year ended 31st March 2023
REVENUE FROM OPERATIONS			
i) Interest income	23	13,108.76	10,682.57
ii) Dividend income		-	-
iii) Rental income		115.46	72.68
iv) Fees, charges and commission income	24	174.67	167.96
v) Net gain on fair value changes	25	5.25	5.59
I Total revenue from operations		**13,404.14**	**10,928.80**
II Other income	26	158.28	127.29
III Total income (I+II)		**13,562.42**	**11,056.09**
Expenses			
i) Finance costs	27	6,426.94	4,576.72
ii) Fees and commission expense		109.90	80.24
iii) Impairment on financial instruments	28	1,822.79	999.23
iv) Employee benefits expenses	29	1,712.63	1,584.27
v) Depreciation, amortisation and impairment	30	228.71	187.23
vi) Others expenses	31	905.98	875.82
IV Total expenses		**11,206.95**	**8,303.51**
V Profit before exceptional items and tax (III-IV)		**2,355.47**	**2,752.58**
VI Exceptional items	32	-	(54.51)
VII Profit before tax (V+VI)		2,355.47	2,698.07
VIII Tax expense:	9 (ii)		
(i) Current tax		664.93	486.28
(ii) Deferred tax		(69.08)	227.47
		595.85	**713.75**
IX Profit for the year (VII-VIII)		**1,759.62**	**1,984.32**
X Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(6.64)	(17.27)
(ii) Income tax relating to items that will not be reclassified to profit or loss	9 (iii)	1.67	4.35
Subtotal (A)		**(4.97)**	**(12.92)**
(B) (i) Items that will be reclassified to profit or loss			
- Net gain / (loss) on debt instruments through OCI		70.58	(88.82)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(3.39)	(6.34)
(ii) Income tax relating to items that will be reclassified to profit or loss	9 (iii)	(16.91)	23.95
Subtotal (B)		**50.28**	**(71.20)**
Other Comprehensive Income (A+B)		**45.31**	**(84.12)**
XI Total Comprehensive Income for the year (IX+X)		**1,804.93**	**1,900.20**
XII Earnings per equity share (face value ₹ 2/- per equity share)	33		
Basic (Rupees)		14.26	16.09
Diluted (Rupees)		14.25	16.08
The accompanying notes form an integral part of the Standalone financial statements.	1 to 63		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4 May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4 May 2024

Statement of Changes in Equity for Standalone financial statements

for the year ended 31 March 2024

A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1st April 2022	**246.60**
Changes due to prior period errors	-
Restated balance as at 1st April 2022	246.60
Changes during the year:	
Add : Allotment of shares by ESOS Trust to employees on exercise of options (refer note 35)	0.12
Balance as at 31st March 2023	**246.72**
Balance as at 1st April 2023	**246.72**
Changes due to prior period errors	-
Restated balance as at 1st April 2023	246.72
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 35)	0.16
Balance as at 31st March 2024	**246.88**

B. OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus						Debt instruments through OCI (Refer note 34)	Equity instruments through OCI (Refer note 34)	Effective portion of cash flow hedges (Refer note 34)	Total
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings				
Balance as at 1st April 2022	**2,133.35**	**50.00**	**7,157.29**	**797.41**	**31.29**	**5,247.99**	**(57.30)**	**21.46**	**-**	**15,381.49**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2022	2,133.35	50.00	7,157.29	797.41	31.29	5,247.99	(57.30)	21.46	-	15,381.49
Profit/(loss) for the year	-	-	-	-	-	1,984.32	-	-	-	1,984.32
Other Comprehensive Income / (loss)	-	-	-	-	-	(12.92)	(66.46)	-	(4.74)	(84.12)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,971.40**	**(66.46)**	**-**	**(4.74)**	**1,900.20**
Dividend paid on equity shares (including tax thereon)	-	-	-	-	-	(444.79)	-	-	-	(444.79)
Transfers to Securities premium on exercise of employee stock options	-	-	11.18	-	(11.18)	-	-	-	-	-
Securities premium on shares allotted to ESOP Trust through Rights Issue	-	-	1.57	-	-	-	-	-	-	1.57
Employee stock options expired	-	-	-	0.54	(0.54)	-	-	-	-	-
Share based payment expense	-	-	-	-	3.72	-	-	-	-	3.72
Transfers to Statutory reserves	398.00	-	-	-	-	(398.00)	-	-	-	-
Balance as at 31st March 2023	**2,531.35**	**50.00**	**7,170.04**	**797.94**	**23.30**	**6,376.60**	**(123.76)**	**21.46**	**(4.74)**	**16,842.19**

Statement of Changes in Equity for Standalone financial statements

for the year ended 31 March 2024

B. OTHER EQUITY (Contd.)

(₹ in Crores)

Particulars	Reserves and Surplus						Debt instruments through OCI (Refer note 34)	Equity instruments through OCI (Refer note 34)	Effective portion of cash flow hedges (Refer note 34)	Total
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings				
Balance as at 1st April 2023	**2,531.35**	**50.00**	**7,170.04**	**797.94**	**23.30**	**6,376.60**	**(123.76)**	**21.46**	**(4.74)**	**16,842.19**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2023	**2,531.35**	**50.00**	**7,170.04**	**797.94**	**23.30**	**6,376.60**	**(123.76)**	**21.46**	**(4.74)**	**16,842.19**
Profit/(loss) for the year	-	-	-	-	-	1,759.62	-	-	-	1,759.62
Other Comprehensive Income / (loss)	-	-	-	-	-	(4.97)	52.82	-	(2.54)	45.31
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**1,754.65**	**52.82**	**-**	**(2.54)**	**1,804.93**
Dividend paid on equity shares (including tax thereon)	-	-	-	-	-	(741.32)	-	-	-	(741.32)
Transfers to Securities premium on exercise of employee stock options	-	-	13.67	-	(13.67)	-	-	-	-	-
Securities premium on transfer of ESOP Shares to employees	-	-	1.94	-	-	-	-	-	-	1.94
Employee stock options expired	-	-	-	0.25	(0.25)	-	-	-	-	-
Share based payment expense	-	-	-	-	2.87	-	-	-	-	2.87
Transfers to Statutory reserves	352.00	-	-	-	-	(352.00)	-	-	-	-
Balance as at 31st March 2024	**2,883.35**	**50.00**	**7,185.65**	**798.20**	**12.24**	**7,037.93**	**(70.94)**	**21.46**	**(7.28)**	**17,910.61**

The accompanying notes 1 to 63 form an integral part of the Standalone financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4 May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4 May 2024

Statement of Standalone cash flows

for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	2,355.47	2,752.58
	Adjustments for:		
	Depreciation, amortisation and impairment	228.71	187.23
	Impairment on financial instruments (excluding bad debts and write offs)	107.90	(1,214.13)
	Bad debts and write offs	1,714.89	2,213.36
	Interest expense	6,386.09	4,535.85
	Interest income from loans	(12,328.95)	(9,949.25)
	Interest income from other deposits with banks	(266.11)	(210.08)
	Net (Gain) / loss on fair value of derivative financial instruments	9.47	(10.77)
	Unrealized foreign exchange gain/loss	(76.49)	(96.85)
	Share based payments to employees	4.49	4.55
	Net (Gain)/loss on fair value changes	(3.46)	26.74
	Interest income on investments	(521.57)	(523.24)
	Dividend income	(2.89)	(4.12)
	Net gain on derecognition of property, plant and equipment	(6.65)	(2.89)
	Net (gain) / loss on sale of investments	-	(5.59)
	Operating profit / (loss) before working capital changes	**(2,399.10)**	**(2,296.61)**
	Adjustments for changes in working capital -		
	Loans	(22,063.71)	(21,125.42)
	Trade receivables	2.28	(11.71)
	Other financial assets	(13.91)	(129.52)
	Other financial liabilities	31.69	31.79
	Other non-financial assets	(199.81)	(107.16)
	Trade Payables	358.58	161.03
	Other non-financial liabilities	26.59	16.30
	Derivative financial instruments	145.10	35.88
	Provisions	(61.84)	21.87
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(24,174.13)**	**(23,403.56)**
	Interest paid	(6,336.35)	(4,668.87)
	Interest received from loans	12,823.56	11,063.93
	Cash generated from / (used in) operations	**(17,686.92)**	**(17,008.50)**
	Income taxes paid (net of refunds)	(716.76)	(476.49)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(18,403.68)**	**(17,484.99)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(289.03)	(362.55)
	Proceeds from sale of Property, plant and equipment	50.31	13.55
	Purchase of investments measured at amortised cost	-	(400.42)
	Proceeds from sale of investments measured at amortised cost	169.32	496.35
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	(124.98)	-
	Purchase of investments measured at FVOCI	(167.41)	(915.95)
	Proceeds from sale of investments measured at FVOCI	445.26	345.34
	Purchase of investments measured at FVTPL	(3,280.79)	(4,404.44)
	Proceeds from sale of investments measured at FVTPL	3,569.77	3,177.54
	Purchase of shares in a subsidiary company	(206.39)	-
	Proceeds from / (Investments in) term deposits with banks (net)	1,049.09	(8.44)

Statement of Standalone cash flows

for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
	Dividend income received	2.89	4.12
	Interest received from other deposits with banks	215.27	221.59
	Interest income received on investments measured at amortised cost, FVOCI, FVTPL and at cost	528.21	512.64
	Change in Earmarked balances with banks	0.03	(0.02)
	NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B)	**1,961.55**	**(1,320.69)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	17,802.10	16,501.95
	Repayment of borrowings through Debt Securities	(15,835.68)	(10,005.95)
	Proceeds from Borrowings (Other than Debt Securities)	35,806.06	33,521.08
	Repayment of Borrowings (Other than Debt Securities)	(22,478.11)	(18,362.66)
	Proceeds from borrowings through Subordinated Liabilities	700.00	380.00
	Repayment of borrowings through Subordinated Liabilities	(140.15)	(70.01)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	(169.97)	169.97
	Increase / (decrease) in Public deposits (net)	1,655.37	(2,905.23)
	Payments for principal portion of lease liability	(94.85)	(56.80)
	Dividend paid	(741.32)	(444.79)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**16,503.45**	**18,727.56**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**61.30**	**(78.12)**
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	**249.75**	**327.87**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**311.07**	**249.75**
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	52.92	32.91
	- Cheques and drafts on hand	27.92	17.65
	- Balances with banks in current accounts	230.23	199.19
	Total	**311.07**	**249.75**

Note :

The above Statement of Standalone Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Purchase of Property, Plant and Equipment and Intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4 May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4 May 2024

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

1 Company information

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1st January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4th September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 Summary of material accounting policy information

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorised for issue on 4th May 2024.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 Measurement of fair values

The Company's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Effective Interest Rate (EIR) Method

The Company recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to provide the economic inputs into the ECL model
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 50).

iii) Provisions and contingent liabilities

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Going Concern:

The financial statements of the Company are prepared on a going concern basis for the year ended 31st March 2024.

The Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.6 Revenue recognition :

a) Recognition of interest income:

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at Fair Value Through Other Comprehensive Income (FVOCI) and debt instruments designated at Fair Value Through Profit and Loss (FVTPL). The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Recognition of interest income on securitised loans:

The Company securitises certain pools of loan receivables in accordance with applicable RBI guidelines. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitisation transactions" and the loan receivables securitised are continued to be reflected as loan assets. These loan assets are carried at amortised cost and the interest income is recognised by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

c) Subvention income:

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognised in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortised cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognised in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognised in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognised over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Income from finance lease:

The income earned on finance lease are recognised in the Statement of profit

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

and loss account based on pattern reflecting constant periodic return on the Company's net investment in lease.

The fees / charges received towards fleet management services rendered to customers is recognised over the lease term.

f) Fees, charges and commission income :

The Company recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss on an accrual basis when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transfered assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitisation transaction.

2.7 Property, Plant and Equipments (PPE):

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognised at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -

- Assets costing less than ₹ 5000/- are fully depreciated in the period of purchase.
- Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.8 Intangible assets :

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Intangible assets comprises of computer software . The amortisation period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their amortisation period. Amortisation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Investments in subsidiaries, associate and joint ventures :

Investment in subsidiaries, associates and Joint Ventures are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company reviews the carrying amounts of its investments in subsidiaries, associate and joint ventures at the end of each reporting period, to determine whether there is any indication that those investments have impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any) and provided for accordingly. Such impairment loss is reduced from the carrying value of investments.

2.10 Foreign exchange transactions and translations :

a) Initial recognition:

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Translation:

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments :

a) Initial recognition:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and subsequent measurement of financial assets:

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments that meet the SPPI criterion at amortised cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company elects to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets:

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, and impairment provisions are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognised in Statement of profit and loss. Net gains or losses on fair valuation are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

impairment requirements of Ind AS 109 - Financial Instruments; and

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

e) Derecognition:

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Derivative financial instruments and hedge accounting:

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and principal & interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value on the date on which the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

g) Impairment of financial instruments:

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information. (refer note 50).

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognised.

The Company recognizes lifetime ECL for trade advances, lease and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modifies contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

the designation of renegotiated loan until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under the Company's ECL policy.

h) Collateral repossessed:

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

i) Write offs:

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off as per the Company's policy. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in the Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits -

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund, Superannuation fund, ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India and the Company has no obligation to the scheme beyond its contributions.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognised in the Statement of profit and loss.

c) Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules as per leave policy of the Company. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

Compensation cost on Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.13 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, associated liabilities in respect of securitisation transactions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax :

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable. When some or all economic benefits required to settle a provision are expected to be recovered from third party, a recievable is recognised as an asset, if it is virtually certian that reimbursement will be recieved and the amount can be measured reliably.

2.16 Leases :

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term,

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognised at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortised cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in Property, Plant and Equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Company is the lessor -

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognised as an expense in the Statement of profit and loss. Initial direct costs are recognised immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, Plant and Equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortisation and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognised as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 40.

2.17 New standards or amendments to the existing standards and other pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on 31 March 2024, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

3 Cash and cash equivalents

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Cash on hand	52.92	32.91
Cheques and drafts on hand	27.92	17.65
Balances with banks in current accounts	230.23	199.19
Term deposits with original maturity up to 3 months	-	-
Interest accrued on Term deposits	-	-
	311.07	**249.75**

4 Bank balances other than cash and cash equivalents

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.57	0.60
Term deposits with maturity less than 12 months -		
- Free	1,766.59	2,232.45
- Under lien #	475.75	243.01
Interest accrued on Term deposits	135.13	106.25
	2,378.04	**2,582.31**

#Details of Term deposits - Under lien

(₹ in Crores)

Particulars	As at 31st March 2024			As at 31st March 2023		
	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 8)	Total	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 8)	Total
For Statutory Liquidity Ratio	-	-	-	100.00	-	100.00
For securitisation transactions	444.23	-	444.23	120.28	2.47	122.75
Legal deposits	0.21	-	0.21	0.21	-	0.21
For Constituent Subsidiary General Ledger (CSGL) account	30.90	-	30.90	20.90	10.00	30.90
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	0.41	1.25	1.66	1.62	-	1.62
Total	**475.75**	**1.25**	**477.00**	**243.01**	**12.47**	**255.48**

5 Receivables

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Trade receivables		
i) Secured, considered good		
- Lease rental receivable on operating lease transactions	17.04	6.85
Less : Impairment loss allowance	(0.29)	(4.67)
	16.75	**2.18**
ii) Unsecured, considered good :		
- Subvention and other income receivables	7.99	19.66
iii) Credit impaired :		

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
- Subvention and other income receivables	-	0.80
	-	**0.80**
Less : Impairment loss allowance	-	(0.80)
	-	**-**
	24.74	**21.84**

There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at 31st March 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables -						
- considered good	13.61	-	-	-	-	13.61
- which have significant increase in credit risk	10.65	-	-	-	-	10.65
- credit impaired	0.77	-	-	-	-	0.77
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**25.03**	**-**	**-**	**-**	**-**	**25.03**

There is neither an instance where due date is not specified nor unbilled due.

As at 31st March 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables -						
- considered good	20.48	-	-	-	-	20.48
- which have significant increase in credit risk	1.68	-	-	-	-	1.68
- credit impaired	1.63	0.55	0.51	0.15	-	2.84
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	0.93	0.93	0.45	-	-	2.31
- credit impaired	-	-	-	-	-	-
Total	**24.72**	**1.48**	**0.96**	**0.15**	**-**	**27.31**

There is neither an instance where due date is not specified nor unbilled due.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

6 Loans

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
A) Loans (at amortised cost) :		
Term loans :		
- Retail loans	94,190.74	75,524.51
- Small and Medium Enterprise (SME) financing	3,757.67	3,481.07
Bills of exchange	1,054.74	975.61
Trade advances	2,879.10	2,540.42
Finance lease	714.52	220.95
Total (Gross)	**1,02,596.77**	**82,742.56**
Less : Impairment loss allowance	(3,401.59)	(3,287.83)
Total (Net)	**99,195.18**	**79,454.73**
B) i) Secured by tangible assets	97,436.10	77,784.42
ii) Secured by intangible assets	-	-
iii) Covered by bank / Government guarantees	133.36	319.16
iv) Unsecured	5,027.31	4,638.98
Total (Gross)	**1,02,596.77**	**82,742.56**
Less : Impairment loss allowance	(3,401.59)	(3,287.83)
Total (Net)	**99,195.18**	**79,454.73**
C) i) Loans in India		
a) Public Sector	-	-
b) Others	1,02,596.77	82,742.56
Total (Gross)	**1,02,596.77**	**82,742.56**
Less : Impairment loss allowance	(3,401.59)	(3,287.83)
Total (Net) - C (i)	**99,195.18**	**79,454.73**
ii) Loans outside India	-	-
Less : Impairment loss allowance	-	-
Total (Net) - C (ii)	**-**	**-**
Total (Net) - C (i+ii)	**99,195.18**	**79,454.73**

Notes:

- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- Refer note no. 50 for information related to stage-wise classification of loan assets and ECL movement.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

7 Investments

(₹ in Crores)

Investments	31st March 2024						31st March 2023					
	Amortised cost	At Fair Value			Others (at cost)	Total	Amortised cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
Units of mutual funds	-	-	52.86	52.86	-	52.86	-	-	-	-	-	-
Government securities #	1,216.77	4,460.74	-	4,460.74	-	5,677.51	1,263.94	4,766.46	-	4,766.46	-	6,030.40
Debt securities -												
i) Secured redeemable non-convertible debentures	-	-	-	-	-	-	-	-	-	-	-	-
ii) Unsecured redeemable non-convertible subordinate debentures												
i) Investments in Pass Through Certificates under securitization transactions	-	-	-	-	-	-	123.42	-	-	-	-	123.42
ii) Commercial Papers	-	-	757.41	757.41	-	757.41	-	-	94.12	94.12	-	94.12
iii) Certificate of deposits with banks	-	-	967.73	967.73	-	967.73	-	-	1,973.02	1,973.02	-	1,973.02
iv) Investment in Bonds #	25.84	453.34	-	453.34	-	479.18	25.97	351.43		351.43		377.40
v) Investment in Triparty Repo Dealing System (TREPS)	124.98	-	-	-	-	124.98	-	-	-	-	-	-
vi) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-	1.59	-	1.59	-	1.59	-	1.59	-	1.59	-	1.59
Equity instruments -												
i) Equity investment in Smartshift Logistics Solutions Private Limited	-	35.24	-	35.24	-	35.24	-	35.24	-	35.24	-	35.24
ii) New Democratic Electoral Trust	-	-	-	-	0.02	0.02	-	-	-	-	0.02	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)			0.22	0.22		0.22			0.06	0.06		0.06
Subsidiaries -												
i) Mahindra Insurance Brokers Limited (1,03,09,280 equity shares (FY22-23 82,47,424) of face value of ₹ 10/- each)	-	-	-	-	206.84	206.84	-	-	-	-	0.45	0.45
ii) Mahindra Rural Housing Finance Limited (12,09,52,678 equity shares of face value of ₹ 10/- each)	-	-	-	-	799.30	799.30	-	-	-	-	799.30	799.30
iii) Mahindra Finance CSR Foundation (1,000 equity shares of face value of ₹ 10/- each)	-	-	-	-	-	-	-	-	-	-	-	-
iv) Mahindra Ideal Finance Limited, Sri Lanka (58.20% of equity share capital)	-	-	-	-	77.97	77.97	-	-	-	-	77.97	77.97
Associates -												

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

7 Investments

(₹ in Crores)

Investments	31st March 2024						31st March 2023					
	Amortised cost	At Fair Value			Others (at cost)	Total	Amortised cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)	-	-	-	-	210.55	210.55	-	-	-	-	210.55	210.55
Joint Venture -												
i) Mahindra Manulife Investment Management Private Ltd. (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (19,53,00,000 equity shares of face value of ₹ 10/- each)	-	-	-	-	195.30	195.30	-	-	-	-	195.30	195.30
ii) Mahindra Manulife Trustee Private Ltd (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (5,00,000 equity shares of face value of ₹ 10/- each)	-	-	-	-	0.50	0.50	-	-	-	-	0.50	0.50
Others -												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited	-	7.15	-	7.15	-	7.15	-	7.15	-	7.15	-	7.15
ii) Interest accrued on Government securities	21.20	77.95	-	77.95	-	99.15	22.33	85.98	-	85.98	-	108.31
iii) Interest accrued on Bonds	0.06	11.77	-	11.77	-	11.83	0.06	8.86	-	8.86	-	8.92
iv) Interest accrued on Pass Through Certificates under securitisation transactions	-	-	-	-	-	-	0.39	-	-	-	-	0.39
v) Interest accrued on Certificate of deposits	-	-	-	-	-	-	-	-	-	-	-	-
vi) Interest accrued on TREPS	-	-	-	-	-	-	-	-	-	-	-	-
Total - Gross (A)	**1,388.85**	**5,047.78**	**1,778.22**	**6,826.00**	**1,490.48**	**9,705.33**	**1,436.11**	**5,256.71**	**2,067.20**	**7,323.91**	**1,284.09**	**10,044.11**
i) Investments outside India	-	-	-	-	288.52	288.52	-	-	-	-	288.52	288.52
ii) Investments in India	1,388.85	5,047.78	1,778.22	6,826.00	1,201.96	9,416.81	1,436.11	5,256.71	2,067.20	7,323.91	995.57	9,755.59
Total - Gross (B)	**1,388.85**	**5,047.78**	**1,778.22**	**6,826.00**	**1,490.48**	**9,705.33**	**1,436.11**	**5,256.71**	**2,067.20**	**7,323.91**	**1,284.09**	**10,044.11**
Less : Allowance for Impairment loss (C)	-	-	-	-	54.51	54.51	0.98	-	-	-	54.51	55.49
Total - Net D (A-C)	**1,388.85**	**5,047.78**	**1,778.22**	**6,826.00**	**1,435.97**	**9,650.82**	**1,435.13**	**5,256.71**	**2,067.20**	**7,323.91**	**1,229.58**	**9,988.62**

The investments in Government securities for ₹ 1,216.77 crore (31st March 2023: ₹ 1,263.94 crore) and investments in Bonds for ₹ 25.84 crore (31st March 2023: ₹ 25.97 crore) as shown under Amortised cost category are Statutory Liquid Assets as required under section 45 - IB of the Reserve Bank of India Act, 1934, with a floating charge created in favour of public deposit holders through a "Trust Deed" with an independent Trust.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

8 Other financial assets

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Security Deposits	77.62	61.52
Term deposits with banks (remaining maturity more than 12 months):		
- Free	545.00	1,349.75
- Under lien (refer note 4)	1.25	12.47
Interest accrued on Term deposits	31.70	9.74
Others #	151.93	155.80
Less : Impairment loss allowance	(0.72)	-
	806.78	1,589.28

includes receivables related to insurance claims and online payment aggregators.

9 Deferred tax assets (net) and tax expense

(₹ in Crores)

	Balance as at 1st April 2022	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Balance as at 31st March 2023	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Balance as at 31st March 2024
(i) Deferred tax assets (net)							
Tax effect of items constituting deferred tax liabilities :							
- Application of EIR on financial assets	(84.97)	4.87	-	(80.10)	(0.09)	-	(80.19)
- Application of EIR on financial liabilities	(12.42)	3.74	-	(8.68)	(13.92)	-	(22.60)
- Share based payments	(0.39)	(4.35)	-	(4.74)	(1.67)	-	(6.41)
- FVTPL financial asset	(13.68)	13.97	-	0.30	(1.32)	-	(1.03)
- Others#	(131.59)	-	-	(131.59)	44.02	-	(87.57)
	(243.05)	**18.24**	**-**	**(224.82)**	**27.02**	**-**	**(197.80)**
Tax effect of items constituting deferred tax assets :							
- Provision for employee benefits	19.67	2.19	4.35	26.21	-	1.67	27.88
- Derivatives	52.24	(0.28)	-	51.96	(3.05)	-	48.91
- Allowance for ECL	841.60	(277.16)	22.35	586.79	56.95	(17.76)	625.98
- Provision on standard assets	152.92	-	-	152.92	(15.98)	-	136.94
- Other provisions	13.05	29.54	1.60	44.18	4.14	0.85	49.17
	1,079.48	**(245.71)**	**28.30**	**862.06**	**42.06**	**(15.24)**	**888.88**
Net deferred tax assets	**836.42**	**(227.47)**	**28.30**	**637.24**	**69.08**	**(15.24)**	**691.08**

includes deferred tax on account of securitisation transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
(ii) Income tax recognised in Statement of profit and loss		
(a) Current tax:		
In respect of current year	666.56	480.00
In respect of prior years	(1.63)	6.28
	664.93	**486.28**
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	(69.08)	227.47
In respect of prior years	-	-
	(69.08)	**227.47**
Total Income tax recognised in Statement of profit and loss	**595.85**	**713.75**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
(iii) Income tax recognized in Other Comprehensive Income		
Deferred tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	1.67	4.35
Net gain / (loss) on equity instruments through OCI	-	-
Net gain / (loss) on debt instruments through OCI	(17.76)	22.35
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	0.85	1.60
Total Income tax recognised in Other Comprehensive Income	**(15.24)**	**28.30**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:		
Profit before tax	2,355.47	2,698.07
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	592.82	679.05
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	(0.73)	(1.04)
Effect of expenses / provisions not deductible in determining taxable profit	6.44	26.93
Effect of changes in estimates related to prior years	(5.03)	-
Adjustment related to tax of prior years	(1.63)	6.28
Others	3.98	2.53
Reported income tax expense	**595.85**	**713.75**
Effective tax rate	**25.30%**	**26.45%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

10 Property, plant and equipments

(₹ in Crores)

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold Improvement	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises) - (b)	Total (a + b)
GROSS CARRYING AMOUNT												
Balance as at 1st April 2022	0.81	1.09	128.36	91.65	80.36	92.44	147.15	-	0.19	542.05	265.99	808.04
Additions during the year	-	-	26.74	3.20	10.33	35.05	187.06	-	-	262.38	227.34	489.72
Disposals / deductions during the year	-	-	29.47	5.12	12.67	18.36	10.38	-	-	76.00	34.65	110.65
Balance as at 31st March 2023	**0.81**	**1.09**	**125.63**	**89.73**	**78.02**	**109.13**	**323.83**	**-**	**0.19**	**728.43**	**458.68**	**1,187.11**
Balance as at 1st April 2023	**0.81**	**1.09**	**125.63**	**89.73**	**78.02**	**109.13**	**323.83**	**-**	**0.19**	**728.43**	**458.68**	**1,187.11**
Additions during the year	-	-	36.23	8.20	11.79	34.56	204.53	9.94	-	305.25	86.81	392.06
Disposals / deductions during the year	-	-	21.73	7.00	7.27	28.37	67.83	-	0.05	132.25	37.87	170.12
Balance as at 31st March 2024	**0.81**	**1.09**	**140.13**	**90.93**	**82.54**	**115.32**	**460.53**	**9.94**	**0.14**	**901.43**	**507.62**	**1,409.05**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
Balance as at 1st April 2022	-	0.33	87.20	72.41	65.04	60.35	38.92	-	0.13	324.38	100.56	424.94
Additions during the year	-	0.02	23.86	5.25	8.20	17.12	50.20	-	0.00	104.65	70.11	174.76
Disposals / deductions during the year	-	-	29.44	4.83	12.49	16.22	2.36	-	-	65.33	28.46	93.79
Balance as at 31st March 2023	**-**	**0.35**	**81.62**	**72.83**	**60.75**	**61.26**	**86.76**	**-**	**0.13**	**363.70**	**142.21**	**505.91**
Balance as at 1st April 2023	**-**	**0.35**	**81.62**	**72.83**	**60.75**	**61.26**	**86.76**	**-**	**0.13**	**363.70**	**142.21**	**505.91**
Additions during the year	-	0.01	29.09	5.76	7.96	20.67	75.16	0.67	-	139.32	79.19	218.51
Disposals / deductions during the year	-	-	21.66	6.63	7.19	22.16	30.94	-	0.04	88.61	37.87	126.48
Balance as at 31st March 2024	**-**	**0.36**	**89.05**	**71.96**	**61.52**	**59.77**	**130.98**	**0.67**	**0.09**	**414.41**	**183.53**	**597.94**
NET CARRYING AMOUNT												
As at 31st March 2023	**0.81**	**0.74**	**44.01**	**16.91**	**17.27**	**47.87**	**237.07**	**-**	**0.06**	**364.73**	**316.47**	**681.20**
As at 31st March 2024	**0.81**	**0.73**	**51.08**	**18.97**	**21.01**	**55.55**	**329.56**	**9.27**	**0.05**	**487.02**	**324.09**	**811.11**

Secured Non-convertible debentures (NCDs) have an exclusive *pari-passu* charges on Buildings.

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

11 Other Intangible assets

(₹ in Crores)

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1st April 2022	102.72
Additions during the year	17.05
Deductions during the year	-
Balance as at 31st March 2023	**119.77**
Balance as at 1st April 2023	119.77
Additions during the year	10.46
Deductions during the year	-
Balance as at 31st March 2024	**130.23**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1st April 2022	92.95
Additions during the year	12.47
Deductions during the year	-
Balance as at 31st March 2023	**105.42**
Balance as at 1st April 2023	105.42
Additions during the year	10.20
Deductions during the year	-
Balance as at 31st March 2024	115.62
NET CARRYING AMOUNT	
As at 31st March 2023	**14.35**
As at 31st March 2024	**14.61**

The Company has not revalued its Intangible Assets.

Intangible assets under development

As at 31st March 2024

(₹ in Crores)

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.10	-	-	-	105.10
Project temporarily suspended	-	-	-	-	-
Total	**105.10**	**-**	**-**	**-**	**105.10**

As at 31st March 2023: Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

12 Other non-financial assets

(₹ in Crores)

	31st March 2024	31st March 2023
Capital advances	84.23	216.01
Prepaid expenses	67.13	52.71
Balances with Government Authorities	377.99	208.41
Unamortized placement and arrangement fees paid on borrowing instruments	0.11	-
Insurance advances	13.07	5.94
Other advances	18.37	9.80
	560.90	**492.87**

13 Derivative financial instruments

(₹ in Crores)

Particulars	31st March 2024		31st March 2023	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives unhedged: (refer note 54 (III))				
Forward contracts	-	-	-	-
Currency swaps/Options	709.00	154.30	1,063.50	144.83
Total (A)	**709.00**	**154.30**	**1,063.50**	**144.83**
Currency / interest rate derivatives hedged : (refer note 54 (III))				
Forward contracts	835.52	177.40	839.91	16.92
Currency swaps/Options	827.70	3.57	827.70	18.95
Total (B)	**1,663.22**	**180.97**	**1,667.61**	**35.87**
Total derivative financial instruments (A+B)	**2,372.22**	**335.27**	**2,731.11**	**180.70**

Movement in Cash Flow Hedge Reserve

(₹ in Crores)

	31st March 2024	31st March 2023
Balance at the beginning of the year	(4.74)	-
Recognised on Cash Flow Hedge Reserve	(3.39)	(6.34)
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	0.85	1.60
	(7.28)	**(4.74)**

14 Payables

(₹ in Crores)

	31st March 2024	31st March 2023
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,459.47	1,126.57
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	2.80	2.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	62.62	37.12
	1,524.89	**1,166.31**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

(₹ in Crores)

	31st March 2024	31st March 2023
a) Dues remaining unpaid to any supplier at the year end		
- Principal	2.80	2.62
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-
	2.80	**2.62**

Trade Payables aging schedule

As at 31st March 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.80	-	-	-	2.80
ii) Others	1,476.64	23.03	7.57	14.85	1,522.09
Total	**1,479.44**	**23.03**	**7.57**	**14.85**	**1,524.89**
Disputed dues -					
- MSME	-	-	-	-	-
- Others	-	-	-	-	-

There is neither an instance where due date is not specified nor there is any unbilled due.

As at 31st March 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.62	-	-	-	2.62
ii) Others	1,094.44	17.64	7.11	44.50	1,163.69
Total	**1,097.06**	**17.64**	**7.11**	**44.50**	**1,166.31**
Disputed dues -					
- MSME	-	-	-	-	-
- Others	-	-	-	0.59	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

15 Debt Securities

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost		
Non-convertible debentures (Secured)	20,848.41	19,464.32
Non-convertible debentures (Unsecured)	995.41	994.95
Commercial Papers (Unsecured)	4,882.12	3,936.00
Rupee Denominated Secured Bonds overseas (Masala Bonds)	-	349.80
Total	**26,725.94**	**24,745.07**
Debt securities in India	26,725.94	24,395.27
Debt securities outside India	-	349.80
Total	**26,725.94**	**24,745.07**

Note: There is no debt securities measured at FVTPL or designated at FVTPL.

The Secured Non-convertible debentures are secured by *pari-passu* charges on Buildings (forming part of PPE) and exclusive charges on receivables under loan contracts having carrying value of ₹ 23,571.34 crores (March 2023: ₹ 22,363.93 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

Details of Non-convertible debentures (Secured) :

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis (wholesale) -				
Repayable on maturity :				
Maturing within 1 year	7.45%-8.95%	4,529.50	5.25%-8.75%	3,969.70
Maturing between 1 year to 3 years	6.25%-9.00%	9,523.50	6.25%-9.00%	8,203.00
Maturing between 3 years to 5 years	7.90%-8.25%	754.35	7.90%-8.25%	752.25
Maturing beyond 5 years	7.45%-8.48%	4,978.00	7.45%-8.48%	4,978.00
Sub-total at face value		**19,785.35**		**17,902.95**
Repayable in Half yearly instalments :				
Maturing within 1 year	6.35%	56.25	-	-
Maturing between 1 year to 3 years	6.35%	168.75	6.35%	168.75
Maturing between 3 years to 5 years	-	-	6.35%	56.25
Maturing beyond 5 years	-	-	-	-
Sub-total at face value	-	225.00	-	225.00
Total at face value (A)	**-**	**20,010.35**	**-**	**18,127.95**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year	-	-	9.10%-9.15%	535.56
Maturing between 1 year to 3 years	9.20%-9.30%	869.15	-	-
Maturing between 3 years to 5 years	-	-	9.20%-9.30%	869.15
Maturing beyond 5 years		-	-	-
Sub-total at face value (B)	-	**869.15**	-	**1,404.71**
Total at face value (A+B)	-	**20,879.50**	-	**19,532.66**
Less: Unamortized discounting charges	-	31.10	-	68.34
Total amortised cost	-	**20,848.41**	-	**19,464.32**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Details of Non-convertible debentures (Unsecured) :

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing beyond 5 years	8.53%	1,000.00	8.53%	1,000.00
Maturing between 3 years to 5 years		-		-
Maturing between 1 year to 3 years		-		-
Maturing within 1 year		-		-
Total at face value		**1,000.00**		**1,000.00**
Less: Unamortised discounting charges		4.59		5.05
Total amortised cost		**995.41**		**994.95**

Details of Commercial Papers (Unsecured):

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	7.69%-8.30%	4,975.00	5.50%-8.26%	4,075.00
Total at face value		**4,975.00**		**4,075.00**
Less: Unamortised discounting charges		92.88		139.00
Total amortised cost		**4,882.12**		**3,936.00**

Rupee Denominated Secured Bonds overseas (Masala Bonds)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing between 1 year to 3 years	-	-	7.40%	350.00
Maturing between 3 years to 5 years	-	-	-	-
Total at face value	-	**-**	-	**350.00**
Less: Unamortised discounting charges	-	-	-	0.20
Total amortised cost	-	**-**	-	**349.80**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

16 Borrowings (Other than Debt Securities)

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortised cost		
a) Term loans		
i) Secured -		
- from banks	46,242.36	30,622.15
- External Commercial Borrowings	2,102.05	2,550.71
- Associated liabilities in respect of securitisation transactions	5,592.45	6,718.60
ii) Unsecured -		
- WCDL from banks	2.47	85.00
- from other parties	150.00	150.01
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	59.50	437.00
c) Loans repayable on demand		
Secured -		
- Cash credit facilities with banks	-	169.97
d) Other loans and advances		
Unsecured -		
- Inter-corporate deposits (ICDs) other than related parties	170.00	500.62
Total	**54,318.83**	**41,234.06**
Borrowings in India	52,216.78	38,683.35
Borrowings outside India	2,102.05	2,550.71
Total	**54,318.83**	**41,234.06**

Note: There is no borrowings measured at FVTPL or designated at FVTPL.

The secured term loans from banks and External Commercial Borrowings are secured by exclusive charges on receivables under loan contracts having carrying amount of ₹ 51,919.57 crore (March 2023: ₹ 30,645.34 crore).

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

Details of term loans from banks (Secured)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity :				
Maturing within 1 year	6.75%-8.95%	2,636.00	5.98%-8.85%	3,020.00
Maturing between 1 year to 3 years	7.70%-8.30%	480.00	-	-
Total for repayable on maturity		**3,116.00**		**3,020.00**
2) Repayable in instalments :				
i) Quarterly -				
Maturing within 1 year	5.15%-8.70%	7,687.85	5.15%-8.89%	4,820.25
Maturing between 1 year to 3 years	5.70%-8.70%	13,757.19	5.15%-8.62%	6,767.00
Maturing between 3 years to 5 years	5.75%-8.35%	4,880.88	5.75%-8.62%	1,833.35
Sub-Total		**26,325.92**		**13,420.60**
ii) Half yearly -				
Maturing within 1 year	6.25%-8.80%	3,504.30	6.25%-10.50%	3,267.11

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Details of term loans from banks (Secured)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing between 1 year to 3 years	6.97%-8.80%	5,443.01	6.25%-8.40%	5,238.56
Maturing between 3 years to 5 years	7.80%-8.80%	2,535.81	7.45%-8.40%	2,689.03
Maturing beyond 5 years	8.15%	111.12	-	-
Sub-Total		**11,594.24**		**11,194.70**
iii) Yearly -				
Maturing within 1 year	7.59%-9.00%	1,585.00	7.49%-8.72%	460.00
Maturing between 1 year to 3 years	7.59%-9.00%	2,666.67	7.49%-8.72%	1,649.17
Maturing between 3 years to 5 years	8.50%-9.00%	955.00	8.35%-8.72%	877.50
Sub-Total		**5,206.67**		**2,986.67**
Total for repayable in instalments		43,126.83		27,601.97
Total (1+2) (As per contractual terms)		46,242.83		30,621.97
Add/Less: Unamortised Finance Cost		(0.47)		0.18
Total Amortised Cost		**46,242.36**		**30,622.15**

The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate) and Treasury bills plus spread.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company except for certain differences which has been duly reconciled and presented here below.

Summary of reconciliation

(₹ in Crores)

Year ended 31st March 2024	Quarter ended			
	June 2023	September 2023	December 2023	March 2024
Value as per quarterly returns / statements filed with Banks	2,567.53	2,556.60	2,556.49	2,557.03
Difference due to future interest considered in Book debt statements	-	-	-	-
Difference in Overdue balance due to credits not considered in returns	34.14	25.59	18.41	62.93
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortised cost	9.82	5.46	7.89	7.45
Value as per Ind AS books of account	**2,611.49**	**2,587.66**	**2,582.79**	**2,627.41**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Year ended 31st March 2023	Quarter ended			
	June 2022	September 2022	December 2022	March 2023
Value as per quarterly returns / statements filed with Banks	3,289.51	3,289.57	2,464.49	2,352.97
Difference due to future interest considered in Book debt statements	-	-	-	-
Difference in Overdue balance due to credits not considered in returns	36.43	32.61	22.51	9.55
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortised cost	13.81	13.75	8.60	6.58
Value as per Ind AS books of account	**3,339.75**	**3,335.93**	**2,495.60**	**2,369.10**

Details of External Commercial Borrowings (USD, Euro & JPY)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing between 3 years to 5 years	-	-	-	-
Maturing within 1 year	6.61%	363.59	6.91%	309.00
Maturing between 1 year to 3 years	6.61%-8.11%	1,743.99	6.61%-8.11%	2,251.17
Maturing beyond 3 years to 5 years	-	-	-	-
	-	**2,107.58**	-	**2,560.17**
Less Unamortized Finance Cost	-	5.53	-	9.46
	-	**2,102.05**	-	**2,550.71**

Details of associated liabilities related to Securitization transactions

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	3.70%-7.55%	2,538.53	3.70%-7.55%	3,467.94
Maturing between 1 year to 3 years	3.70%-7.55%	2,643.24	3.76%-7.55%	2,921.26
Maturing between 3 years to 5 years	4.76%-7.55%	410.67	3.70%-7.55%	329.40
Maturing beyond 5 years	-	-	-	-
		5,592.44		**6,718.60**
Less Unamortized Finance Cost		-		-
		5,592.44		**6,718.60**

Details of Unsecured term loans from banks

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	9.25%	2.47	8.05%	85.00
Total		**2.47**		**85.00**
Less Unamortized Finance Cost		-		-
Total Amortized Cost		**2.47**		**85.00**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Details of Unsecured term loans from others

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	8.20%	75.00		-
Maturing between 1 year to 3 years	8.20%	75.00	8.10%	150.00
Total		**150.00**		**150.00**
Add Unamortized Finance Cost		0.00		0.01
Total Amortized Cost		**150.00**		**150.01**

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Inter-corporate deposits (ICDs) (Related Parties)				
Repayable on maturity :				
Maturing within 1 year	6.25%-7.80%	41.00	5.40%-7.85%	414.50
Maturing between 1 year to 3 years	6.25%	18.50	6.25%	22.50
Total		**59.50**		**437.00**
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	7.50%-8.00%	170.00	6.40%-7.80%	500.62
Total		**170.00**		**500.62**

Details of Loans repayable on demand (Secured) - Cash credit facilities with banks

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year		-	8.45%	169.97
Total		**-**		**169.97**

17 Deposits

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost		
Deposits (Unsecured)		
- Public deposits *	7,174.74	5,524.60
Total	**7,174.74**	**5,524.60**

Note: There is no deposits measured at FVTPL or designated at FVTPL.

*as defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year. However, there was a delay in one instance in transferring an amount of ₹ 1,538.00, required to be transferred, to the Investor Education and Protection Fund by the Company.

Details of Deposits (Unsecured) - Public deposits

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	5.65% - 9.15%	2,660.39	4.95% - 9.15%	1,836.02
Maturing between 1 year to 3 years	5.75% - 8.45%	3,588.40	5.65% - 9.15%	3,269.40
Maturing beyond 3 years	5.90% - 8.40%	948.41	5.90% - 9.15%	436.41
Total at face value		**7,197.20**		**5,541.83**
Less: Unamortized discounting charges		22.46		17.23
Total amortized cost		**7,174.74**		**5,524.60**

18 Subordinated liabilities

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost (Unsecured)		
Subordinated redeemable non-convertible debentures - private placement	1,601.11	1,028.73
Subordinated redeemable non-convertible debentures - retail public issue	2,404.55	2,413.40
Total	**4,005.66**	**3,442.13**
Subordinated liabilities in India	4,005.66	3,442.13
Subordinated liabilities outside India	-	-
Total	**4,005.66**	**3,442.13**

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortized cost) - Unsecured subordinated redeemable non-convertible debentures

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis -				
Repayable on maturity :				
Maturing within 1 year	9.18%-9.60%	215.00	9.50%-9.70%	127.80
Maturing between 1 year to 3 years	8.90%-9.10%	175.00	8.90%-9.60%	390.00
Maturing between 3 years to 5 years		-		-
Maturing beyond 5 years	7.35%-8.35%	1,212.90	7.35%-8.20%	512.90
Sub-total at face value (A)		**1,602.90**		**1,030.70**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year	7.75%-7.85%	59.32	8.44%-8.80%	12.34
Maturing between 1 year to 3 years	8.53%-9.00%	933.01	7.75%-7.85%	59.32
Maturing between 3 years to 5 years	7.90%-9.50%	784.12	7.90%-9.00%	1,380.25
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-9.50%	980.84
Sub-total at face value (B)		**2,420.41**		**2,432.75**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Total at face value (A+B)		**4,023.31**		**3,463.45**
Less: Unamortized discounting charges		17.65		21.32
Total amortized cost		**4,005.66**		**3,442.13**

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 18 for the specific purpose for which these were availed.

In respect of all the borrowings, there is no default in payment of either principal or interest.

The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

19 Other financial liabilities

(₹ in Crores)

	31st March 2024	31st March 2023
Interest accrued but not due on borrowings	1,753.42	1,730.03
Unclaimed dividends #	0.57	0.60
Unclaimed matured deposits and interest accrued thereon #	4.37	4.88
Deposits / advances received against loan agreements	35.51	88.79
Insurance premium payable	3.42	3.78
Salary, Bonus and performance payable	8.80	7.35
Provision for expenses	210.08	175.79
Lease liabilities (refer note 40)	367.92	349.61
Others	57.24	23.45
Total	**2,441.33**	**2,384.28**

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

20 Provisions

(₹ in Crores)

	31st March 2024	31st March 2023
Provision for employee benefits		
- Gratuity (refer note 36)	8.70	22.15
- Leave encashment	84.38	84.00
- Bonus, incentives and performance pay	112.03	154.16
Provision for loan commitment	0.02	0.43
Total	**205.13**	**260.74**

21 Other non-financial liabilities

(₹ in Crores)

	31st March 2024	31st March 2023
Deferred subvention income	14.37	22.49
Statutory dues and taxes payable	125.76	89.88
Others *	10.54	11.71
Total	**150.67**	**124.08**

* Others include monies adjusted from share capital and other equity on account of shares held by MMFSL ESOP Trust pending transfer to the eligible employees and lease rental advances.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

22 Equity Share capital

(₹ in Crores)

	31st March 2024	31st March 2023
Authorized:		
250,00,00,000 (31st March 2023: 250,00,00,000) Equity shares of ₹ 2/- each	500.00	500.00
50,00,000 (31st March 2023: 50,00,000) Redeemable preference shares of ₹ 100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
123,55,29,920 (31st March 2023: 123,55,29,920) Equity shares of ₹ 2/- each fully paid up	247.11	247.11
Less : 11,43,808 (31st March 2023: 19,31,449) Equity shares of ₹ 2/- each fully paid up issued to ESOS Trust but not yet allotted to employees, including fresh equity shares allotted to ESOS Trust under rights issue during the year	0.23	0.39
Adjusted Issued, Subscribed and paid-up Share capital	**246.88**	**246.72**

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid-up:				
Balance at the beginning of the year	1,23,55,29,920	247.11	1,23,55,29,920	247.11
Add : Fresh allotment of shares	-	-	-	-
Balance at the end of the year	**1,23,55,29,920**	**247.11**	**1,23,55,29,920**	**247.11**
Less: Shares issued to ESOS Trust but not yet allotted to employees	11,43,808	0.23	19,31,449	0.39
Adjusted Issued, Subscribed and paid-up Share capital	**1,23,43,86,112**	**246.88**	**1,23,35,98,471**	**246.72**
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:				
Holding Company: Mahindra & Mahindra Limited	64,43,99,987	128.88	64,43,99,987	128.88
Percentage of holding (%)	52.16%		52.16%	
c) Shareholders holding more than 5 percent of the aggregate shares:				
Mahindra & Mahindra Limited	64,43,99,987	128.88	64,43,99,987	128.88
Percentage of holding (%)	52.16%		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

(₹ in Crores)

Name of the Promoter	Shares held by promoters as at 31st March 2024			Shares held by promoters as at 31st March 2023		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Mahindra & Mahindra Limited	64,43,99,987	52.16%	-	64,43,99,987	52.16%	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity) :

Statutory reserve as per Section 45-IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilised by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserve.

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

(₹ in Crores)

	31st March 2024	31st March 2023
Dividend paid	741.32	444.79
Profit for the relevant year	1,984.32	988.75
Dividend as a percentage of profit for the relevant year	37.4%	45.0%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

	31st March 2024	31st March 2023
Face value per share (Rupees)	2.00	2.00
Dividend percentage	315%	300%
Dividend per share (Rupees)	6.30	6.00
Total Dividend on Equity shares (a)	778.38	741.32
Profit after tax for the relevant year (b)	1,759.62	1,984.32
Dividend proposed as a percentage of profit after tax (a/b)	44.2%	37.4%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

23 Interest income

(₹ in Crores)

	31st March 2024	31st March 2023
On financial instruments measured at Amortised cost (refer note 2.6)		
Interest on loans	12,222.88	9,847.25
Income from bill discounting	106.07	102.00
Interest income from investments	203.87	231.64
Interest on term deposits with banks	266.11	210.08
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	309.83	291.60
Total	**13,108.76**	**10,682.57**

Note: There is no loan asset measured at FVTPL.

24 Fees, charges and commission income

(₹ in Crores)

	31st March 2024	31st March 2023
Service charges and other fees income	155.75	139.22
Fees, commission / brokerage received from mutual fund distribution/other products	7.17	10.90
Collection fees related to transferred assets under securitisation transactions	11.75	17.84
Total	**174.67**	**167.96**

25 Net gain / (loss) on fair value changes

(₹ in Crores)

	31st March 2024	31st March 2023
Net gain / (loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	2.39	(1.37)
Others - Mutual fund units	2.86	6.96
Total Net gain / (loss) on financial instruments at FVTPL	**5.25**	**5.59**
Fair value changes :		
- Realized	-	5.59
- Unrealized	5.25	-
Total Net gain / (loss) on financial instruments at FVTPL	**5.25**	**5.59**

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

26 Other income

(₹ in Crores)

	31st March 2024	31st March 2023
Net gain on derecognition of property, plant and equipment	6.65	2.89
Net gain on sale investments measured at amortised cost	1.95	0.73
Dividend income from Equity investments in subsidiaries	2.89	4.12
Income from shared services	146.17	119.29
Others	0.62	0.26
Total	**158.28**	**127.29**

27 Finance costs

(₹ in Crores)

	31st March 2024	31st March 2023
On financial liabilities measured at Amortised cost		
Interest on deposits	473.41	524.74
Interest on borrowings	3,399.09	2,135.60
Interest on debt securities	2,191.45	1,584.36
Interest on subordinated liabilities	295.79	291.15
Net loss / (gain) in fair value of derivative financial instruments	9.47	(10.77)
Interest expense on lease liabilities (refer note 40)	26.35	21.79
Others	31.38	29.85
Total	**6,426.94**	**4,576.72**

Note: There are no financial liabilities measured at FVTPL.

28 Impairment on financial instruments

(₹ in Crores)

	31st March 2024	31st March 2023
On financial instruments measured at Amortised cost		
Bad debts and write offs	1,714.89	2,213.36
Loans	114.48	(1,212.71)
Investments	(0.98)	(0.64)
Loan commitment	(0.41)	0.26
Trade receivables and other contracts	(5.19)	(1.04)
Total	**1,822.79**	**999.23**

Note: there are no financial instruments measured at FVOCI

29 Employee benefits expenses

(₹ in Crores)

	31st March 2024	31st March 2023
Salaries and wages	1,588.35	1,457.60
Contribution to provident funds and other funds	87.51	94.43
Share based payments to employees	4.49	4.55
Staff welfare expenses	32.28	27.69
Total	**1,712.63**	**1,584.27**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

30 Depreciation, amortisation and impairment

(₹ in Crores)

	31st March 2024	31st March 2023
Depreciation on Property, Plant and Equipment (refer note 10)	139.32	104.65
Amortisation and impairment of intangible assets (refer note 11)	10.20	12.47
Depreciation on Right of Use Asset (refer note 10 and 40)	79.19	70.11
Total	**228.71**	**187.23**

31 Other expenses

(₹ in Crores)

	31st March 2024	31st March 2023
Rent	12.78	14.32
Rates and taxes, excluding taxes on income	9.76	6.67
Electricity charges	18.17	16.14
Repairs and maintenance	12.06	9.83
Communication costs	51.82	33.92
Printing and stationery	12.99	12.58
Advertisement and publicity	40.22	26.78
Directors' fees, allowances and expenses	3.81	2.97
Auditor's fees and expenses -		
- Audit fees	1.48	1.41
- Other services	0.46	0.36
- Reimbursement of expenses	0.01	0.04
Legal and professional charges	149.21	112.18
Insurance	52.30	51.03
Manpower outsourcing cost	122.03	182.07
Donations	0.18	0.39
Corporate Social Responsibility (CSR) expenses (refer note 46)	29.98	44.50
Conveyance and travel expenses	150.65	123.51
Other expenses	238.07	237.12
Total	**905.98**	**875.82**

32 Exceptional items

(₹ in Crores)

	31st March 2024	31st March 2023
Impairment loss provision on equity investment in Mahindra Ideal Finance Limited (MIFL), a subsidiary in Sri Lanka #	-	(54.51)
Total	**-**	**(54.51)**

#During the previous year ended 31st March 2023, the Company has recognised an impairment loss provision of ₹ 54.51 crore as an exceptional item in respect of its subsidiary in Sri Lanka, Mahindra Ideal Finance Limited (MIFL) on account of the severe economic crisis situation in Sri Lanka based on valuation report obtained from an independent registered valuer.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

33 Earning Per Share (EPS)

(₹ in Crores)

	31st March 2024	31st March 2023
Profit for the year (₹ in crore)	1,759.62	1,984.32
Weighted average number of Equity Shares used in computing basic EPS	1,23,39,32,506	1,23,31,47,111
Effect of potential dilutive Equity Shares	6,47,658	12,09,941
Weighted average number of Equity Shares used in computing diluted EPS	1,23,45,80,164	1,23,43,57,052
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	14.26	16.09
Diluted Earnings per share (₹)	14.25	16.08

34 Accumulated Other Comprehensive Income

(₹ in Crores)

	31st March 2024	31st March 2023
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	21.46	21.46
- Net gain / (loss) on equity instruments through OCI	-	-
- Income tax relating to items that will not be reclassified to profit or loss	-	-
Balance at the end of the year : Subtotal (A)	**21.46**	**21.46**
B) Items that will be reclassified to profit or loss		
Balance at the beginning of the year	(128.50)	(57.30)
- Net gain / (loss) on debt instruments through OCI	70.58	(88.82)
- The effective portion of gains and loss on hedging instruments in a cash flow hedge	(3.39)	(6.34)
- Income tax relating to items that will be reclassified to profit or loss	(16.91)	23.95
Balance at the end of the year : Subtotal (B)	**(78.22)**	**(128.50)**
Accumulated Other Comprehensive Income (A + B)	**(56.76)**	**(107.04)**

35 Employee Stock Option Plan

The Company had allotted 48,45,025 Equity shares (face value of ₹ 2/- each) under Employee Stock Option Scheme 2010 at par on 3rd February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of ₹ 50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17th August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at ₹ 50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue shall remain same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 65,50,154 equity shares to employees up to 31st March 2024 (31st March 2023: 57,62,513 equity shares), of which 7,87,641 equity shares (31st March 2022: 6,42,714 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.16 crore for the year ended 31st March 2024 (31st March 2023 : ₹ 0.13 crore).

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

a) The terms and conditions of the Employees Stock Option Scheme 2010 are as under :

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

During the year ended 31st March 2024, the Company has not granted any stock options (31st March 2023: nil) to the employees under the Employees' Stock Option Scheme 2010.

ii) MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED - RESTRICTED STOCK UNITS PLAN 2023 ("MMFSL RSU PLAN 2023")

During the year ended 31st March 2024, the Company has granted 2,83,171 stock options under the newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on 28th April 2023.

The terms and conditions of the MMFSL RSU PLAN 2023 are as under :

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs, The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control d) Profit growth e) Return on Assets (ROA) f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 equal tranches @ 33.33% on expiry of 12, 24 and 36 months, up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Particulars	Year ended 31st March 2024
Grant dated 26 October 2023	
Exercise price (₹)	2.00
Fair value of option (₹)	246.47

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grant dated 26 October 2023

Particulars	Year ended 31st March 2024
Variables#	
1) Risk free interest rate	7.29%
2) Expected life	4.51 years
3) Expected volatility	45.98%
4) Dividend yield	2.19%
5) Price of the underlying share in the market at the time of option grant (₹)	273.60

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) i) Summary of stock options - Employee Stock Option Scheme 2010 :

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of stock options	Weighted average exercise price (₹) #	No. of stock options	Weighted average exercise price (₹) #
Options outstanding at the beginning of the year	14,34,983	26.91	21,67,340	26.91
Options granted during the year	-	-	-	-
Adjustment pertaining to Rights Issue	-	-	-	-
Options forfeited / lapsed during the year	12,392	26.00	47,783	26.46
Options expired during the year	22,187	35.33	41,860	31.62
Options exercised during the year	7,87,641	26.63	6,42,714	26.63
Options outstanding at the end of the year	6,12,763	26.97	14,34,983	26.91
Options vested but not exercised at the end of the year	6,12,763	26.97	6,96,553	27.87

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at ₹ 2/- per option and adjustment options issued under Rights issue are exercisable at ₹ 50/- each, including premium of ₹ 48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

Particulars	As at 31st March 2024	
	No. of stock options	Weighted average exercise price (₹) #
Options outstanding at the beginning of the year	-	-
Options granted during the year	2,83,171	2.00
Options forfeited / lapsed during the year	-	-
Options expired during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	2,83,171	2.00
Options vested but not exercised at the end of the year	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

d) Information in respect of options outstanding :

Exercise price	As at 31st March 2024		As at 31st March 2023	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010 -				
- At ₹ 2.00 per option	2,94,002	24 months	6,90,412	35 months
- At ₹ 50.00 per option	3,18,761	23 months	7,44,571	34 months
MMFSL RSU PLAN 2023 -				
- At ₹ 2.00 per option	2,83,171	80 months		
	8,95,934		**14,34,983**	

e) Average share price at recognised stock exchange on the date of exercise of the option is as under:

Year ended 31 March 2024		Year ended 31 March 2023	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
1st April 2023 to 31st March 2024	275.35	1st April 2022 to 31st March 2023	215.21

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, ₹ 4.49 crore (31st March 2023: ₹ 4.55 crore) has been included under 'Employee Benefits Expense' as 'Share-based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements to the holding company of ₹ 1.69 crore (31st March 2023: ₹ 1.05 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹ 0.01 crore (31st March 2023: ₹ 0.22 crore) from its subsidiaries for options granted to their employees.

36 Employee benefits

General description of defined benefit plans

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the Gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity fund.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -

The plan liabilities are calculated using a discount rate set with references to government bond yields, if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars	Funded Plan Gratuity Year ended 31st March 2024	2023
I. Amounts recognised in the Statement of Profit & Loss		
Current service cost	15.55	13.21
Net Interest cost	1.02	2.47
Past service cost	-	-
Interest Income	(6.94)	-
Adjustment due to change in opening balance of Plan assets	(8.57)	(5.51)
Total expenses included in employee benefits expense	**1.06**	**10.17**
II. Amount recognised in Other Comprehensive income		
Remeasurement (gains)/losses:		
a) Actuarial (gains)/losses arising from changes in -		
- financial assumptions	(6.64)	(17.27)
- experience adjustments	-	-
b) Return on plan assets, excluding amount included in net interest expense/(income)	-	-
Total amount recognised in other comprehensive income	**(6.64)**	**(17.27)**
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	125.73	104.26
Add/(less) on account of business combination/transfers	-	-
Current service cost	15.55	13.21
Past service cost	-	-
Interest expense	9.43	7.63
Remeasurement (gains)/losses arising from changes in -		
- demographic assumptions	(0.10)	0.19
- financial assumptions	2.57	(1.52)
- experience adjustments	(4.23)	13.44
Benefits paid	(2.54)	(11.48)
Closing defined benefit obligation	**146.41**	**125.73**
IV. Change in the fair value of plan assets during the year		
Opening Fair value of plan assets	103.59	65.06
Interest income	15.35	5.16
Expected return on plan assets	(8.41)	(5.16)
Contributions by employer	21.15	44.50
Adjustment due to change in opening balance of Plan assets	8.57	5.51
Actual Benefits paid	(2.54)	(11.48)
Closing Fair value of plan assets	**137.71**	**103.59**
V. Net defined benefit obligation		
Defined benefit obligation	146.40	125.73
Fair value of plan assets	137.70	103.58
Surplus/(Deficit)	(8.70)	(22.15)
Current portion of the above	-	-
Non current portion of the above	(8.70)	(22.15)
VI. Expected contribution for the next reporting year	**27.71**	**16.31**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Actuarial assumptions and Sensitivity

Particulars	Funded Plan Gratuity Year ended 31st March 2024	2023
I. Actuarial assumptions		
Discount Rate (p.a.)	7.22%	7.50%
Attrition rate	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above	22.00 for age up to 30, 16.00 for age 31-44, 8.00 for 45 and above
Expected rate of return on plan assets (p.a.)	7.50%	7.32%
Rate of Salary increase (p.a.)	7.00%	7.00%
In-service Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:		
One percentage point increase in discount rate	(9.95)	(7.04)
One percentage point decrease in discount rate	11.17	7.16
One percentage point increase in Salary growth rate	11.17	7.16
One percentage point decrease in Salary growth rate	(9.87)	(7.14)
III. Maturity profile of defined benefit obligation		
Within 1 year	21.00	24.23
Between 1 and 5 years	118.33	120.21

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company's contribution to provident fund, superannuation fund and national pension scheme aggregating to ₹ 78.39 crore (31st March 2023: ₹ 70.23 crore) has been recognised in the Statement of profit and loss under the head Employee benefits expense.

37 Additional disclosures

i) During the financial years ended 31st March 2024 and 31st March 2023, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Company and there is no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

As at 31st March 2024

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2024 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	-	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	-	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I)PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	-	External
10	MRA REFINO PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	-	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	-	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT & ENGINEERS PRIVATE LIMITED	Receivables	-	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	-	External
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	-	External
24	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

As at 31st March 2023

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2023 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASHWANI ENTERPRISES PRIVATE LIMITED	Receivables	0.04	External
2	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.03	External
3	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	0.01	External
4	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.06	External
5	BRILLIANT RISIE PRIVATE LIMITED	Receivables	0.07	External
6	ALCROOKS AND COOK PRIVATE LIMITED	Receivables	-	External
7	OM DHAR ENGINEERING PRIVATE LIMITED	Receivables	-	External
8	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.02	External
9	M_S GARHWAL AIRCON SERVICES PRIVATE LIMITED	Receivables	0.07	External

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

As at 31st March 2023

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2023 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
10	IGI CORPORATION PVT LTD	Receivables	-	External
11	MRA REFINO PRIVATE LIMITED	Receivables	0.02	External
12	GR AUDITYA RENEWABLE ENERGIES PRIVATE LIMITED	Receivables	0.06	External
13	JCR INFRABUILT PRIVATE LIMITED	Receivables	0.04	External
14	NOVOCON SOLUTION PVT LTD	Receivables	0.00	External
15	DEVINE DEVBUILD PRIVATE LIMITED	Receivables	-	External
16	ENGINEERS REALTY PRIVATE LIMITED	Receivables	-	External
17	PUNEETH TECHNO PROJECTS PRIVATE LIMITED	Receivables	0.03	External
18	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.07	External
19	ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.04	External
20	GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.02	External
21	SSNG BUSINESS PRIVATE LIMITED	Receivables	-	External
22	NAVADHARA SUPER MARKET PRIVATE LIMITED	Receivables	-	External
23	NIRBAN LOGISTICS PRIVATE LIMITED	Receivables	-	External
24	ASVRJ LOGISTIC PVT LTD	Receivables	0.01	External
25	SPXPRESS LOGISTICS PRIVATE LIMITED	Receivables	0.07	External
26	SLTT INDIA PRIVATE LIMITED	Receivables	0.03	External
27	DHARAA MOBILITY PVT LTD	Receivables	-	External
28	AUTO WORLD PRIVATE LIMITED	Receivables	0.83	External
29	RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	-	External
30	ARSH BUILDWELL PRIVATE LIMITED	Receivables	-	External
31	ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	-	External
32	VENHAN TECHNOLOGIES PRIVATE LIMITED	Receivables	0.18	External
33	SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.13	External
34	CZONE ENGINEERS PRIVATE LIMITED	Receivables	0.05	External
35	M/S. ASHWA ARTS PRIVATE LIMITED	Receivables	0.01	External
36	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.07	External
37	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.04	External
38	XPERTO MARKETING SOLUTION PVT LTD	Receivables	-	External
39	RAMA TENT HOUSE PRIVATE LIMITED	Receivables	0.09	External
40	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.06	External
41	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.02	External
42	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	0.01	External
43	SHIRIDI SRISAI SOLUTIONS PVT LTD	Receivables	0.06	External
44	DEVBHUMI AVIATION PVT LTD	Receivables	-	External
45	VH SQUARE HEALTHCARE PVT LTD	Receivables	0.08	External
46	SHREE BIO CROP INDIA PRIVATE LIMITED	Receivables	-	External
47	LIANCE CONSULTANT&ENGINEERS PRIVATE LIMITED	Payables	(0.00)	External
48	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
49	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

v) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vi) Utilisation of Borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

ix) All the secured non-convertible debentures of the Company including those issued during the year ended 31 March 2024 are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and/or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and book debts. Further, the Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Term Sheet/Offer document/Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon.

The asset cover available as on 31st March 2024 in respect of listed secured debt securities is 1.08 (March 2023: 1.09).

38 Transactions in the nature of change in ownership in group entities

Pursuant to Share Purchase Agreement dated 21st October 2022 entered into by the Company with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) and on receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI), the Company has completed the acquisition of 20,61,856 Equity shares of ₹ 10 each of MIBL, at a price of ₹ 1001 per share on 22nd September 2023 involving a pay-out of ₹ 206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Company effective from 22nd September 2023.

39 Capital management

The Reserve Bank of India vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, effective from the financial year ended 31st March 2020, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September 2016 (as amended).

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

Regulatory capital

(₹ in Crores)

	As at 31 March 2024	As at 31 March 2023
Tier - I capital	16,308.04	15,307.93
Tier - II capital	2,462.39	2,045.12
Total Capital	**18,770.43**	**17,353.05**
Aggregate of Risk Weighted Assets	99,531.86	77,061.91
Tier - I capital ratio	16.39%	19.87%
Tier - II capital ratio	2.47%	2.65%
Total Capital ratio	**18.86%**	**22.52%**

"*Tier I Capital*" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following -

(a) preference shares other than those which are compulsorily convertible into equity;

(b) revaluation reserves at discounted rate of fifty five percent;

(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets;

(d) hybrid debt capital instruments; and

(e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets -

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on-balance sheet assets and off- balance sheet assets. Hence, the value of each of the on-balance sheet

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for the year ended 31st March 2024

assets and off- balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

40 Leases

I) In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognised the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at 1st April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognized at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

The weighted average incremental borrowing rate of 7.97% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

(₹ in Crores)

	As at 31st March 2024	As at 31st March 2023
Less than 1 year	86.64	86.22
1 - 3 years	151.97	126.98
3 - 5 years	116.52	105.37
More than 5 years	107.04	129.18
Total undiscounted lease liabilities	**462.17**	**447.75**

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

(₹ in Crores)

		Amount for the year ended / As at	
		31st March 2024	31st March 2023
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 30 "Depreciation, amortisation and impairment")	79.19	70.11
ii)	Interest expense on lease liabilities (presented under note - 27 "Finance costs")	26.35	21.79
iii)	Expense relating to short-term leases (included in Rent expenses under note 31 "Other expenses")	2.50	5.74
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 31 "Other expenses")	10.28	8.73
v)	Payments for principal portion of lease liability	68.50	55.57
vi)	Additions to right-of-use assets during the year (refer note 10)	86.81	227.34
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -		
	- Property taken on lease for office premises (presented under note - 10 "Property, plant and equipments")	324.09	316.47
viii)	Lease liabilities (presented under note - 19 "Other financial liabilities")	367.92	349.61

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18th June 2021, Ind AS 116 - Leases paragraph 46B was amended to extend the application of practical expedient related to COVID-19-Related Rent Concessions to lease payments originally due on or before 30th June 2022. The Company had applied this practical expedient to all such rent concessions received during the year ended 31st March 2023 (up to 30th June 2022) from certain Lessors that meet the conditions specified in paragraph 46B. The amount of rent concessions recognised in the statement of profit or loss for the year ended 31st March 2023 is ₹ 0.15 crore.

II) In the cases where assets are given on operating lease (as lessor) -

Key terms of the lease are as below :

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value-added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick-up and drop, replacement vehicle etc.

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

Other details are as follows:

(₹ in Crores)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
i)	**New vehicles to retail customers on operating lease -**		
	Gross carrying amount	457.80	321.13
	Depreciation for the year	75.03	49.25
	Accumulated Depreciation	128.31	73.91
ii)	**Used and refurbished vehicles to travel operators / taxi aggregators -**		
	Gross carrying amount	2.71	2.71
	Depreciation for the year	0.12	0.24
	Accumulated Depreciation	2.68	1.38

The total future minimum lease rentals receivable for the non-cancellable lease period as at the Balance sheet date is as under:

(₹ in Crores)

	Particulars	As at 31st March 2024	As at 31st March 2023
i)	**New vehicles to retail customers on operating lease -**		
	Not later than one year	140.89	87.95
	Later than one year but not later than five years	279.08	169.72
		419.97	**257.67**
ii)	**Used and refurbished vehicles to travel operators / taxi aggregators -**		
	Not later than one year	-	0.20
	Later than one year but not later than five years	-	0.12
		-	**0.32**

Since there is no contingent rent applicable in respect of these lease arrangements, the Company has not recognised any income as contingent income during the year.

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III) In the cases where assets are given on finance lease (as lessor) -

Rentals receivable on finance lease :

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Gross Rental Receivable	722.92	297.95
Less : Unearned Income	121.60	77.00
Net Receivable before charging allowance for Impairment loss	601.32	220.95
Less : Allowance for Impairment losses	4.02	6.48
Total Net Receivables	597.30	214.47

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	274.11	448.81	-	722.92
Less : Unearned Income	58.96	62.64	-	121.60
Net Receivable before charging allowance for Impairment loss	215.15	386.17	-	601.32

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March 2024 or 31st March 2023.

42 Frauds reported during the year

i) There were 160 cases (31st March 2023: 91 cases) of frauds amounting to ₹ 142.63 crore (31st March 2023: ₹ 2.68 crore) reported during the year. The Company has recovered an amount of ₹ 5.34 crore (31st March 2023: ₹ 0.65 crore) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

The above fraud amounting to ₹ 142.63 crore for the year ended 31st March 2024 includes an amount of fraud instance mentoned under point ii) below.

ii) During the quarter and year ended 31st March 2024, the Company detected a fraud at its Branch in Aizawl, Mizoram ("the Branch"), in respect of retail vehicle loans disbursed by the Company. The fraud was perpetrated in the Branch through collusion amongst some Branch employees, with segregated duties, by forgery of KYC and asset related documents and involvement of other external people including vehicle dealers, leading to embezzlement of the Company's funds.

The Company has appointed a law firm and an accounting firm to undertake a fact-finding assessment of the aforesaid suspected irregularities ("Assessment"). Based on the results of the Assessment by the accounting firm and the management, 2,887 loan accounts were identified by the Management as potentially fraudulent in nature. These loans had an outstanding net recoverable balance of ₹ 135.86 crore as of 31st March 2024, which have been fully provided.

43 On 16th March 2024, the Company experienced a cyber security incident resulting in non-availability of certain applications and systems for a period of 4 days. The Company engaged cybersecurity specialists to assist in the investigation of and response to the incident and remediation and restoration of the impacted applications and systems. By 22nd March 2024, the Company built back the impacted applications and systems from immutable backups. The core systems remained unimpacted and peripheral systems were restored by 25 March 2024. The investigation by the cybersecurity specialists has been completed and they have confirmed that all the servers containing data pertaining to books of accounts have no evidence of unauthorised access or exfiltration.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

The Company may incur costs associated with the incident, which are currently indeterminable. The Company continues to closely monitor the situation.

44 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
i) Contingent liabilities		
Claims against the Company not acknowledged as debts	183.61	179.31
Guarantees	1,451.69	1,983.72
	1,635.30	**2,163.03**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	47.58	201.00
Commitment towards Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL)	-	206.39
Other commitments - loan sanctioned but not disbursed	28.00	154.30
	75.58	**561.69**
Total	**1,710.88**	**2,724.72**

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, sales tax/VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions/contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

45 Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitisation transactions" under Note no.16.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Securitizations -		
Carrying amount of transferred assets measured at amortised cost	5,561.43	6,726.19
Carrying amount of associated liabilities	5,592.45	6,718.60
	-	-
Fair value of transferred assets (A)	5,397.94	6,511.34
Fair value of associated liabilities (B)	5,698.61	6,781.18
Net position (A-B)	(300.67)	(269.84)

46 Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the Financial Services Sector CSR Council ('FSS CSR Council') and to monitor the CSR Policy periodically.

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from FSS CSR Council. Any unspent amount at the end of the financial year will be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has set up the Mahindra Finance CSR Foundation (incorporated on 2nd April, 2019) as a wholly-owned subsidiary company registered under Section 8 of the Companies Act, 2013 to promote and support CSR projects and activities of the Company and its subsidiary companies. The Company implements its CSR programs through the Mahindra Finance CSR Foundation.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/Gram panchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution/donations made towards CSR activities is charged to Corporate Social Responsibility (CSR) expenses, in the statement of Profit and Loss.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/ activities.

During the year ended 31 March 2024, the Company has incurred an expenditure of ₹ 24 crores (31 March 2023: ₹ 41 crores) towards CSR activities which includes contribution/donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of ₹ 1.23 crore (31st March 2023: ₹ 3.50 crore) towards the CSR activities undertaken by the Company.

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The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/ activities.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is ₹ 29.96 crores (31st March 2023: ₹ 37.13 crore).

b) Amount approved by the Board to be spent during the year : ₹ 29.96 crores (31st March 2023: ₹ 37.13 crore).

c) Amount spent by the Company during the year on :

(₹ in Crores)

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-	-	-	-
ii) On purpose other than (i) above*	25.27	-	25.27	45.07	-	45.07

* The amount spend is including Rs.0.02 crores excess spent on other than related to an ongoing projects.

The current year expenditure includes ₹ Nil (31 March 2023: ₹ 0.57 crores) as salary cost in respect of certain employees who have been exclusively engaged in CSR administrative activities which qualifies as CSR expenditure under section 135 of the Companies Act, 2013.

d) Amount of shortfall at the end of the year: 4.71 crores (for relating to an ongoing project)

In case of S. 135(5) unspent amount

(₹ in Crores)

Opending balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year*	Amount required to be transferred to unspent bank account related to ongoing project	Closing Balance
-	-	29.96	25.25	4.71	4.71

* Related to ongoing project.

e) Nature of CSR activities: Contributions/donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and CSR activities undertaken by the Company.

f) Provision made with respect to a liability already incurred by entering into a contractual obligation : Nil

47 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

48 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

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for the year ended 31st March 2024

49 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31 March 2024

(₹ in Crores)

Particulars	1 April 2023	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2024
Debt securities	24,745.07	1,966.42	-	14.45	-	26,725.94
Borrowings (Other than debt securities)	41,234.06	13,157.98	(76.49)	3.28	-	54,318.83
Deposits	5,524.60	1,655.37	-	(5.23)	-	7,174.74
Subordinated liabilities	3,442.13	559.85	-	3.68	-	4,005.66
Lease liabilities	349.61	(94.85)	-	26.35	86.81	367.92
Total	**75,295.47**	**17,244.77**	**(76.49)**	**42.53**	**86.81**	**92,593.09**

Year ended 31 March 2023

(₹ in Crores)

Particulars	1 April 2022	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2023
Debt securities	18,252.71	6,496.00	-	(3.64)	-	24,745.07
Borrowings (Other than debt securities)	26,005.17	15,328.39	(96.85)	(2.65)	-	41,234.06
Deposits	8,426.19	(2,905.23)	-	3.64	-	5,524.60
Subordinated liabilities	3,129.85	309.99	-	2.29	-	3,442.13
Lease liabilities	185.26	(56.80)	-	-	221.15	349.61
Total	**55,999.18**	**19,172.35**	**(96.85)**	**(0.36)**	**221.15**	**75,295.47**

50 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

50.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's Investments in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in market price would increase profit before tax by approximately ₹ 88.90 crores (31 March 2023 : ₹ 103.36 crores). A similar percentage decrease would have resulted equivalent opposite impact.

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b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its derivative Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract, cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

(₹ in Crores)

	JPY	US Dollar	Total
As at 31st March 2024			
Financial Assets	-	-	-
Financial Liabilities	1270.88	831.17	2,102.05
As at 31st March 2023			
Financial Assets	-	-	-
Financial Liabilities	1,732.32	818.39	2,550.71

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

(₹ in Crores)

	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31st March 2024	INR/JPY	(+/-) 1.00%	(+/-) 12.74
	INR/USD	(+/-) 1.00%	(+/-) 8.34
Year ended 31st March 2023	INR/JPY	(+/-) 1.00%	(+/-) 17.38
	INR/USD	(+/-) 1.00%	(+/-) 8.22

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps, wherever necessary.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crores)

	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended 31st March 2024	INR	100	379.99
Year ended 31st March 2023	INR	100	228.78

d) Off-setting of balances

The table below summarises the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet :

Financial assets subject to offsetting

(₹ in Crores)

Particulars	Offsetting recognised on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognised in balance sheet
Loan assets			
At 31st March 2024	**99,292.33**	**97.15**	**99,195.18**
At 31st March 2023	79,557.32	102.59	79,454.73

Financial liabilities subject to offsetting

(₹ in Crores)

Particulars	Offsetting recognised on the balance sheet		
	Gross liabilities before offset	Financial assets netted	Liabilities recognised in balance sheet
Other financial liabilities			
At 31st March 2024	**2,538.48**	**97.15**	**2,441.33**
At 31st March 2023	2,486.87	102.59	2,384.28

50.2 Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

i) Credit Quality of Financial Assets

The following table sets out information about credit quality of loans and investments measured at amortised cost primarily based on days past due information. The amount represents gross carrying amount.

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	79,565.25	62,401.65
Past Due but not impaired:		
- 1-30 days past due	6,799.24	4,835.98
- 31-90 days past due	5,099.84	4,852.73
Impaired (more than 90 days)	3,440.93	3,655.10
Total Gross carrying value as at reporting date	**94,905.26**	**75,745.46**

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(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	3,533.97	4,331.40
Past Due but not impaired:		
- 1-30 days past due	1,194.40	55.05
- 31-90 days past due	40.94	20.54
Impaired (more than 90 days)	43.10	49.69
Total Gross carrying value as at reporting date	**4,812.41**	**4,456.68**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Trade Advances		
Less than 60 days past due	2,853.29	2,480.06
61-90 days past due	18.94	53.43
Impaired (more than 90 days)	6.87	6.93
Total Gross carrying value as at reporting date	**2,879.10**	**2,540.42**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,263.87	1,436.11
Past Due but not impaired:		
- 1-30 days past due	-	-
- 31-90 days past due	-	-
Impaired (more than 90 days)	-	-
Total Gross carrying value as at reporting date	**1,263.87**	**1,436.11**

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the Company is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

ii) Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets (except Trade advances) into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31- 90 days past due

Stage 3 : More than 90 days

The Company categorises Trade advances into stages primarily based on the Days Past Due status.

Stage 1 : 0-60 days past due

Stage 2 : 61- 90 days past due

Stage 3 : More than 90 days

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances, and other receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the company.

iii) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes more than 90 days past due on its contractual payments.

Since the Company's portfolio predominantly includes retail vehicle loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the Company has considered the event of default when overdue is more than 90 days past due. The same is also in line with the regulator's definition of default when overdue is more than 90 days past due.

iv) Exposure at default

"Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

v) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a) Loss Given Default (LGD):

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default occurred.

Generally, common LGD is applied on the exposures in all the three stages.

While, the general approach/methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.

- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset/reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation instead of seperate classification as overlay provision;
- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;
- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances.

Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

b) Probability of Default (PD):

- It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is calculated .
- For Stage 2 assets , life time PD is calculated for which a PD term structure is built.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

(vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level.

- **Financial assets that are not credit impaired at the reporting date:**

  ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- **Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:**

  ECL for Stage 2 : Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- **Financial assets that are credit impaired at the reporting date:**

  ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.

  For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:

- Stage 3 assets with ageing up to 18 months (< =540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)

  Required Carrying value-A ={EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- Stage 3 assets with ageing more than 18 months (>540 DPD)

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)

  Required Carrying value-B ={EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

- Undrawn loan commitments:

  ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

ECL on Lease business portfolio:

The customer segment catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

Since the Lease business comprising Operating and Finance lease was relatively new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Company has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the similarities in products offered, customer segments catered and average tenure of lease contracts.

(vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective product categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook.

(viii) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for SICR.

As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In case of government endorsed instalment moratoriums, it cannot be assumed that those borrowers that are granted moratoriums have suffered a SICR. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes. Therefore, we consider that use of government-endorsed instalment moratoriums by a borrower would not on its own trigger the counting of days past due for the 30 days past due backstop used to determine SICR or the 90 days past due backstop used to determine default.

Moreover, the acceptance of such moratorium may indicate short-term liquidity or cash flow problems but is likely to provide little information to differentiate borrower's lifetime credit risk. Thus, the grant of such moratorium cannot be considered as the sole indicator that SICR has occurred or even as the basis to adjust the borrower's probability of default.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include:

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

i. A Stage 3 customer having other loans which are in Stage 1 or 2.

ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans

iii. Retail vehicle loans, where asset has been repossessed.

iv. Cases where Company suspects fraud and legal proceedings are initiated.

v. SME loans where the Company has resorted to its rights under the SARFAESI Act.

Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision up to 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.

The Company regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(x) Inputs to the model

a. Observed Default Rates (ODRs) over past 60 months for each product category

b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years

c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered

b. These are converted into quarterly numbers applying cubic spline technique

c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.

d. These combinations are further tested for statistical robustness.

e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.

f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

a. Agriculture is considered as one of 3 variables compulsorily.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

b. Second Variable is from GDP / Government consumption related below parameters:

Description

Real GDP (% change pa)

Nominal GDP (PPP$)

Real government consumption (LCU)

Real GDP (PPP US$ at 2010 prices)

Nominal GDP (LCU)

Nominal government consumption (LCU)

Nominal GDP (US$)

Nominal government consumption (US$)

c. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.

E. Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance lease** is determined as follows:

(₹ in Crores)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2024	86,364.49	5,099.84	3,440.93	94,905.26
Expected credit loss rate	0.68%	11.45%	63.32%	
Carrying amount as at 31st March 2024 (net of impairment provision)	85,777.59	4,515.67	1,262.22	91,555.49
Gross Balance as at 31st March 2023	67,237.63	4,852.73	3,655.10	75,745.46
Expected credit loss rate	0.79%	10.69%	59.12%	
Carrying amount as at 31st March 2023 (net of impairment provision)	66,704.76	4,334.15	1,494.32	72,533.23

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

(₹ in Crores)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2024	4,728.37	40.94	43.10	4,812.41
Expected credit loss rate	0.66%	11.51%	62.85%	
Carrying amount as at 31st March 2024 (net of impairment provision)	4,697.08	36.23	16.01	4,749.32
Gross Balance as at 31st March 2023	4,386.46	20.53	49.69	4,456.68
Expected credit loss rate	0.36%	9.58%	57.10%	
Carrying amount as at 31st March 2023 (net of impairment provision)	4,370.63	18.56	21.32	4,410.51

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

(₹ in Crores)

Particulars	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31st March 2024	2,853.29	18.94	6.87	2,879.10
Expected credit loss rate	0.40%	5.63%	100.00%	
Carrying amount as at 31st March 2024 (net of impairment provision)	2,841.88	17.87	-	2,859.75
Gross Balance as at 31st March 2023	2,480.06	53.43	6.93	2,540.42
Expected credit loss rate	0.40%	5.96%	100.00%	
Carrying amount as at 31st March 2023 (net of impairment provision)	2,470.14	50.25	-	2,520.39

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended 31st March 2024 and that were still subject to enforcement activity was ₹ 3.36 crore (31st March 2023: ₹56.64 crore).

The expected credit loss allowance provision for **Financial Investments measured at amortised cost** is determined as follows:

(₹ in Crores)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired'	Total
Gross Balance as at 31st March 2024	1,263.87	-	-	1,263.87
Expected credit loss rate	-			-
Carrying amount as at 31st March 2024 (net of impairment provision)	1,263.87	-	-	1,263.87
Gross Balance as at 31st March 2023	1,436.11	-	-	1,436.11
Expected credit loss rate	0.07%			
Carrying amount as at 31st March 2023 (net of impairment provision)	1,435.13	-	-	1,435.13

Level of Assessment - Aggregation Criteria

The Company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration (e.g. vehicle loans in unorganised sectors) the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Retail Loans including Finance Lease is, as follows :

Gross exposure reconciliation

As at 31 March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2022	47,020.88	9,112.22	4,864.19	60,997.28
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	2,547.61	(2,325.74)	(221.86)	-
- Transfers to Stage 2	(2,472.22)	2,579.47	(107.24)	-
- Transfers to Stage 3	(797.21)	(1,205.08)	2,002.29	-
- Loans that have been derecognized during the period	(6,854.18)	(2,183.64)	(1,580.34)	(10,618.16)
New loans originated during the year	40,659.66	665.40	216.59	41,541.65
Write-offs	(8.49)	(29.73)	(1,356.62)	(1,394.84)
Impact of changes on items within the same stage	(12,858.42)	(1,760.15)	(161.90)	(14,780.47)
Gross carrying amount balance as at 31st March 2023	**67,237.62**	**4,852.75**	**3,655.11**	**75,745.46**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2023	67,237.62	4,852.75	3,655.11	75,745.48
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1,044.29	(934.81)	(109.48)	-
- Transfers to Stage 2	(3,856.09)	3,935.32	(79.23)	-
- Transfers to Stage 3	(1,395.58)	(694.54)	2,090.12	-
- Loans that have been derecognised during the period	(8,792.29)	(1,259.48)	(1,226.79)	(11,278.56)
New loans originated during the year	48,192.62	736.93	305.20	49,234.75
Write-offs	(2.37)	(9.21)	(972.10)	(983.68)
Impact of changes on items within the same stage	(16,063.71)	(1,527.12)	(221.90)	(17,812.73)
Gross carrying amount balance as at 31st March 2024	**86,364.49**	**5,099.84**	**3,440.93**	**94,905.26**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Reconciliation of ECL balance

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2022	428.22	1,158.94	2,799.86	4,387.02
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	423.51	(295.80)	(127.71)	-
- Transfers to Stage 2	(22.51)	84.24	(61.73)	-
- Transfers to Stage 3	(7.26)	(153.27)	160.53	-
- Loans that have been derecognised during the period	(62.42)	(277.73)	(909.65)	(1,249.80)
New loans originated during the year	322.20	71.09	135.69	528.98
Write-offs	(0.08)	(3.78)	(780.88)	(784.74)
Impact of changes on items within the same stage	(547.84)	(65.27)	953.23	340.12
ECL allowance balance as at 31st March 2023	**533.82**	**518.42**	**2,169.34**	**3,221.58**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	533.82	518.42	2,169.34	3,221.58
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	164.62	(99.87)	(64.75)	-
- Transfers to Stage 2	(30.62)	77.47	(46.85)	-
- Transfers to Stage 3	(11.08)	(74.20)	85.28	-
- Loans that have been derecognised during the period	(69.61)	(134.58)	(724.50)	(928.69)
New loans originated during the year	326.49	82.34	192.56	601.39
Write-offs	(0.02)	(0.98)	(574.92)	(575.92)
Impact of changes on items within the same stage	(326.70)	215.57	1,142.55	1,031.42
ECL allowance balance as at 31st March 2024	**586.90**	**584.17**	**2,178.71**	**3,349.78**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2024 and that were still subject to enforcement activity was ₹ 1,006.22 crores (31st March 2023: ₹ 1,395.13 crores).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows :

Gross exposure reconciliation

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2022	2,015.08	80.42	44.97	2,140.48
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	53.12	(52.62)	(0.50)	-
- Transfers to Stage 2	(14.93)	15.36	(0.43)	-
- Transfers to Stage 3	(8.22)	(6.08)	14.30	-
- Loans that have been derecognised during the period	(1,237.62)	(14.15)	(3.34)	(1,255.11)
New loans originated during the year	3,871.70	4.70	2.17	3,878.56
Write-offs	-	(1.69)	(5.16)	(6.85)
Impact of changes on items within the same stage	(292.67)	(5.41)	(2.32)	(300.40)
Gross carrying amount balance as at 31st March 2023	**4,386.46**	**20.53**	**49.69**	**4,456.68**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2023	4,386.46	20.53	49.69	4,456.68
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	-
- Transfers to Stage 2	(42.40)	43.43	(1.03)	-
- Transfers to Stage 3	(30.33)	(7.40)	37.73	-
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at 31st March 2024	**4,728.37**	**40.94**	**43.10**	**4,812.41**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Reconciliation of ECL balance

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2022	7.43	11.03	23.34	41.80
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	7.33	(6.93)	(0.40)	-
- Transfers to Stage 2	(0.11)	0.46	(0.35)	-
- Transfers to Stage 3	(0.06)	(1.39)	1.45	-
- Loans that have been derecognised during the period	(2.08)	(1.62)	(2.43)	(6.13)
New loans originated during the year	13.78	0.35	1.37	15.50
Write-offs	-	(0.23)	(3.28)	(3.51)
Impact of changes on items within the same stage	(10.44)	0.32	8.67	(1.45)
ECL allowance balance as at 31st March 2023	**15.85**	**1.99**	**28.37**	**46.21**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	15.85	1.99	28.37	46.21
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	-
- Transfers to Stage 2	(0.23)	0.88	(0.65)	-
- Transfers to Stage 3	(0.15)	(0.81)	0.96	-
- Loans that have been derecognised during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	-	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at 31st March 2024	**8.08**	**5.02**	**19.37**	**32.47**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2024 and that were still subject to enforcement activity was ₹ 40.48 crores (31st March 2023: ₹ 7.46 crores).

The increase in ECL provisions was driven by increase in the gross size of the portfolio.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

An analysis of changes in the outstanding exposure and the corresponding ECLs in relation to other undrawn commitments is as follows :

Gross exposure reconciliation

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1st April 2022	44.77	-	-	44.77
New Exposures	154.30	-	-	154.30
Exposure derecognised or matured/ lapsed (excluding write-offs)	(44.77)	-	-	(44.77)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
Closing balance of outstanding exposure as at 31st March 2023	**154.30**	**-**	**-**	**154.30**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1st April 2023	154.30	-	-	154.30
New Exposures	28.00	-	-	28.00
Exposure derecognised or matured/ lapsed (excluding write-offs)	(154.30)	-	-	(154.30)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
Closing balance of outstanding exposure as at 31st March 2024	**28.00**	**-**	**-**	**28.00**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Reconciliation of ECL balance

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2022	0.17	-	-	0.17
New Exposures	0.43	-	-	0.43
Exposure derecognised or matured/ lapsed (excluding write-offs)	(0.17)	-	-	(0.17)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2023	**0.43**	**-**	**-**	**0.43**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	0.43	-	-	0.43
New Exposures	0.02	-	-	0.02
Exposure derecognised or matured/ lapsed (excluding write-offs)	(0.43)	-	-	(0.43)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2024	**0.02**	**-**	**-**	**0.02**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortized cost is as follows :

Gross exposure reconciliation

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2022	1,531.81	-	-	1,531.81
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(496.66)	-	-	(496.66)
New Investments originated during the year	408.29	-	-	408.29
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(7.33)	-	-	(7.33)
Gross carrying amount balance as at 31st March 2023	**1,436.11**	**-**	**-**	**1,436.11**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2023	1,436.11	-	-	1,436.11
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(163.42)	-	-	(163.42)
New Investments originated during the year	124.98	-	-	124.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(8.82)	-	-	(8.82)
Gross carrying amount balance as at 31st March 2024	**1,388.85**	**-**	**-**	**1,388.85**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Reconciliation of ECL balance

As at 31st March 2023

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2022	1.61	-	-	1.61
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(1.61)	-	-	(1.61)
New Investments originated during the year	55.49	-	-	55.49
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2023	**55.49**	**-**	**-**	**55.49**

As at 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2023	55.49	-	-	55.49
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(0.98)	-	-	(0.98)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2024	**54.51**	**-**	**-**	**54.51**

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended 31st March 2024 and that were still subject to enforcement activity was nil (31st March 2023 : nil).

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Concentration of Credit Risk

The Company's loan portfolio is predominantly to finance retail automobile loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Concentration by Geographical region in India:		
North	33,372.40	25,317.81
East	21,039.12	17,970.43
West	28,805.94	23,496.90
South	19,379.31	15,957.42
Total Gross Carrying Value	**1,02,596.77**	**82,742.56**

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral:

Loan To Value

(₹ in Crores)

	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Upton 50%	6,365.54	5,552.29	1,720.06	1,088.20
51 - 70%	13,653.35	11,237.76	917.03	724.50
71 - 100%	56,893.97	43,909.81	300.27	1,014.19
Above 100%	17,352.61	14,176.26	233.26	81.41
	94,265.47	**74,876.12**	**3,170.63**	**2,908.30**

Gross value of credit impaired loans to value of collateral:

Loan To Value

(₹ in Crores)

	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Upto 50%	102.93	53.62	7.46	14.92
51 - 70%	117.61	67.32	1.34	0.89
71 - 100%	481.88	263.31	1.30	21.71
Above 100%	2,738.51	3,270.85	33.01	12.17
	3,440.93	**3,655.10**	**43.10**	**49.69**

The below tables provide an analysis of the current fair values of collateral held for Stage 3 assets. The value of collateral has not been considered while recognising the loss allowances.

Fair value of collateral held against Credit Impaired assets

31st March 2024

(₹ in Crores)

	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	3,440.93	2,578.87	-	-	-	(381.64)	2,197.23	1,243.70	2,178.71
SME Loans	43.10	-	25.98	43.52	0.07	(62.88)	6.69	36.42	19.37

31st March 2023

(₹ in Crores)

	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	3,655.10	2,162.13	-	-	-	(220.15)	1,941.98	1,713.12	2,169.34
SME Loans	49.69	1.00	37.45	109.41	0.76	(109.10)	39.52	10.17	28.37

50.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31st March 2024				
Trade Payable :	1,524.89	-	-	-
Debt Securities :				
- Principal	9,470.21	10,534.00	753.59	5,968.14
- Interest	1,906.89	2,413.39	1,033.67	1,443.25
Borrowings (Other than Debt Securities) :				
- Principal	18,603.73	26,821.75	8,782.23	111.12
- Interest	3,227.24	3,352.80	481.18	0.79
Deposit :				
- Principal	2,656.97	3,574.77	943.00	-
- Interest	504.35	682.63	253.51	-
Subordinated liabilities :				
- Principal	274.05	1,103.38	444.86	2,183.37
- Interest	338.32	572.77	413.36	695.31
Other financial liabilities :	1,898.47	304.93	129.36	108.58
Total	**40,405.12**	**49,360.42**	**13,234.76**	**10,510.56**
As at 31st March 2023				
Trade Payable :	1,166.31	-	-	-
Debt Securities :				
- Principal	8,930.26	8,371.75	1,677.65	5,978.00
- Interest	1,918.22	2,229.15	1,253.08	1,931.27
Borrowings (Other than Debt Securities) :				
- Principal	16,514.38	18,999.66	5,728.83	0.45
- Interest	2,344.83	2,198.32	349.08	-
Deposit :				
- Principal	1,836.02	3,269.40	436.41	-
- Interest	395.60	675.37	140.48	-
Subordinated liabilities :				
- Principal	140.14	449.32	1,380.25	1,493.73
- Interest	294.46	541.38	449.18	527.86
Other financial liabilities :	1,867.54	288.90	112.95	114.89
Total	**35,407.76**	**37,023.25**	**11,527.91**	**10,046.20**

b) Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at 31st March 2024				
Gross settled:				
Foreign exchange forward contracts				
- Payable	0.97	199.74	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	3.15	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	164.23	-	-
- Receivable	-	-	-	-
Total Payable	**0.97**	**367.12**	**-**	**-**
Total Receivable	**-**	**-**	**-**	**-**
As at 31st March 2023				
Gross settled:				
Foreign exchange forward contracts				
- Payable	0.13	20.65	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	23.61	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	50.09	101.83	-	-
- Receivable	-	-	-	-
Total Payable	**50.22**	**146.09**	**-**	**-**
Total Receivable	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

50.4 a) Financial Instruments regularly measured using Fair Value - recurring items

(₹ in Crores)

	Type of instrument	Financial assets / financial liabilities	Category	Fair Value As at 31st March 2024	Fair Value As at 31st March 2023	Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
1)	Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(180.97)	(35.87)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2)	Currency options	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(154.30)	(144.83)	Level 2	Black Scholes valuation model	Strike rate, spot rate, time to maturity, volatility and risk free interest rate		
3)	Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	52.86	-	Level 1	Quoted market price			
4)	Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	757.41	94.12	Level 1	Quoted market price			
5)	Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	967.73	1,973.02	Level 1	Quoted market price			
6)	Investment in equity instruments- Quoted	Financial Assets	Financial instrument measured at FVTPL	0.22	0.06	Level 1	Quoted market price			
7)	Investment in equity instruments- Unquoted	Financial Assets	Financial instrument designated at FVOCI	42.39	42.39	Level 3	Discounted Cash Flow	The discounted cash flow method used the future free cash flows of the Company discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
8)	Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	4,914.08	5,117.89	Level 1	Quoted market price			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

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for the year ended 31st March 2024

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(₹ in Crores)

Particulars	Unquoted Equity investment	Convertible debentures	Total
Year ended 31st March 2024			
Opening balance	42.38	-	42.38
Total gains or losses recognised:			
In Profit or loss			
a) in profit or loss	-	-	-
b) in other comprehensive income	-	-	-
Fair value of -			
Purchases made during the year	-	-	-
Issues made during the year	-	-	-
Disposals made during the year	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Closing balance	**42.38**	**-**	**42.38**
Year ended 31st March 2023			
Opening balance	42.38	-	42.38
Total gains or losses recognised:			
In Profit or loss			
a) in profit or loss	-	-	-
b) in other comprehensive income	-	-	-
Fair value of -			
Purchases made during the year	-	-	-
Issues made during the year	-	-	-
Disposals made during the year	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	
Closing balance	**42.38**	**-**	**42.38**

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Company has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Equity investment in Smartshift Logistic Solutions Private Limited (formerly Known as Orizonte Business Solutions Limited)		
Fair Value of Investments	**42.38**	**42.38**

There are no disposal of investment during the year ended 31st March 2024 and 2023 respectively.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

d) Financial Instruments measured at amortized cost

(₹ in Crores)

Particulars	Carrying Value	Fair value	Fair value Level 1	Fair value Level 2	Fair value Level 3
As at 31st March 2024					
Financial assets					
a) Cash and cash equivalent	311.07	311.07	311.07	-	-
b) Bank balances other than cash and cash equivalent	2,378.04	2,378.04	2,378.04	-	-
c) Trade Receivables	24.74	24.74	-	24.74	-
d) Loans and advances to customers	99,195.18	98,655.46	-	-	98,655.46
e) Financial investments - at amortized cost	1,388.85	1,404.49	1,232.48	172.01	-
f) Other financial assets	806.78	825.42	-	825.42	-
Total	**1,04,104.66**	**1,03,599.22**	**3,921.59**	**1,022.17**	**98,655.46**
Financial liabilities					
a) Trade Payables	1,524.89	1,524.89	-	1,524.89	-
b) Debt securities	26,725.94	27,965.63	27,965.63	-	-
c) Borrowings other than debt securities	54,318.83	54,482.68	-	54,482.68	-
d) Deposits	7,174.74	7,686.98	-	7,686.98	-
e) Subordinated Liabilities	4,005.66	4,347.98	4,347.98	-	-
f) Other financial liability	2,441.33	2,434.77	-	2,434.77	-
Total	**96,191.39**	**98,442.93**	**32,313.61**	**66,129.32**	**-**
As at 31st March 2023					
Financial assets					
a) Cash and cash equivalent	249.75	249.75	249.75	-	-
b) Bank balances other than cash and cash equivalent	2,582.31	2,582.31	2,582.31	-	-
c) Trade Receivables	21.84	21.02	-	21.02	-
d) Loans and advances to customers	79,454.73	78,968.47	-		78,968.47
e) Financial investments - at amortized cost	1,435.13	1,444.62	1,299.40	145.22	-
f) Other financial assets	1,589.28	1,645.04	-	1,645.04	
Total	**85,333.04**	**84,911.21**	**4,131.46**	**1,811.28**	**78,968.47**
Financial liabilities					
a) Trade Payables	1,166.31	1,166.31	-	1,166.31	-
b) Debt securities	24,745.07	25,365.56	25,365.56		-
c) Borrowings other than debt securities	41,234.06	41,412.52	-	41,412.52	-
d) Deposits	5,524.60	5,943.63	-	5,943.63	-
e) Subordinated Liabilities	3,442.13	3,764.28	3,764.28	-	-
f) Other financial liability	2,384.28	2,376.74	-	2,376.74	-
Total	**78,496.45**	**80,029.04**	**29,129.84**	**50,899.20**	**-**

There were no transfers between Level 1 and Level 2.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables and investment & borrowings in commercial papers. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

Financial Investments

For Government Securities, the market value of the respective Government Stock as on date of reporting has been considered for fair value computations. Since market quotes are not available in the absence of any trades, the carrying amount of Secured redeemable non-convertible debentures is considered as the fair value.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure and cumulative/ non-cumulative scheme.

Except for the above, carrying value of other financial assets/liabilities represent reasonable estimate of fair value.

51 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ in Crores)

Assets	As at 31st March 2024 Within 12 months	As at 31st March 2024 After 12 months	As at 31st March 2024 Total	As at 31st March 2023 Within 12 months	As at 31st March 2023 After 12 months	As at 31st March 2023 Total
Cash and cash equivalents	311.07	-	311.07	249.75	-	249.75
Bank balance	2,378.04	-	2,378.04	2,582.31	-	2,582.31
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	24.74	-	24.74	21.84	-	21.84
Loans	37,167.83	62,027.35	99,195.18	32,000.40	47,454.33	79,454.73
Investments	2,398.52	7,252.30	9,650.82	2,784.59	7,204.03	9,988.62
Other financial assets	158.72	648.06	806.78	170.95	1,418.33	1,589.28
Current tax assets (Net)	-	609.78	609.78	-	504.36	504.36
Deferred tax Assets (Net)	-	691.08	691.08	-	637.24	637.24
Property, plant and equipment	-	811.11	811.11	-	681.20	681.20
Intangible assets under development	-	105.10	105.10	-	-	-

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(₹ in Crores)

Assets	As at 31st March 2024			As at 31st March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other Intangible assets	-	14.61	14.61	-	14.35	14.35
Other non-financial assets	464.16	96.74	560.90	271.18	221.69	492.87
Total Assets	**42,903.08**	**72,256.13**	**1,15,159.21**	**38,081.02**	**58,135.53**	**96,216.55**
Liabilities						
Financial Liabilities						
Derivative financial instruments	0.93	334.34	335.27	49.36	131.34	180.70
Payables						
i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,524.89	-	1,524.89	1,166.31	-	1,166.31
Debt Securities	9,470.21	17,255.73	26,725.94	8,775.60	15,969.47	24,745.07
Borrowings (Other than Debt Securities)	18,603.73	35,715.10	54,318.83	16,514.37	24,719.69	41,234.06
Deposits	2,656.96	4,517.78	7,174.74	1,834.08	3,690.52	5,524.60
Subordinated Liabilities	274.05	3,731.61	4,005.66	140.12	3,302.01	3,442.13
Other financial liabilities	1,898.47	542.86	2,441.33	1,867.54	516.74	2,384.28
Non-Financial Liabilities						
Current tax liabilities (Net)	119.26	-	119.26	51.75	13.92	65.67
Provisions	123.18	81.95	205.13	167.25	93.49	260.74
Other non-financial liabilities	145.51	5.16	150.67	114.30	9.78	124.08
Total Liabilities	**34,817.19**	**62,184.53**	**97,001.72**	**30,680.68**	**48,446.96**	**79,127.64**
Net	**8,085.89**	**10,071.60**	**18,157.49**	**7,400.34**	**9,688.57**	**17,088.91**
Other undrawn commitments	**28.00**	**-**	**28.00**	**154.30**	**-**	**154.30**
Total commitments	**28.00**	**-**	**28.00**	**154.30**	**-**	**154.30**

52 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) **Holding Company**
Mahindra & Mahindra Limited

b) **Subsidiary Companies:**
(entities on whom control is exercised)
Mahindra Insurance Brokers Limited
Mahindra Rural Housing Finance Limited
Mahindra Ideal Finance Limited
Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust
MRHFL Employees Welfare Trust
Mahindra Finance CSR Foundation

c) **Fellow Subsidiaries:**
(entities with whom the Company has transactions)
Mahindra USA, Inc
NBS International Limited
Mahindra First Choice Wheels Limited
Mahindra Defence Systems Limited
Mahindra Integrated Business Solutions Limited
Meru Mobility Tech Private Limited
Mahindra Construction Co. Limited
Bristlecone India Limited
Gromax Agri Equipment Limited
Mahindra Electric Mobility Limited
Mahindra Holidays & Resorts India Limited
New Democratic Electoral Trust
Mahindra Susten Pvt Limited
Mahindra & Mahindra Contech Pvt Limited
Mahindra Two wheeler Limited
Mahindra Sumit Agriscience Limited
Swaraj Engines Limited
Mahindra Heavy Engines Limited
Mahindra Teqo Pvt Limited
Fifth Gear Ventures Limited
Carnot Technologies Pvt Limited
Naandi Community Water Services Pvt Limited
Mahindra Solarise Pvt Limited
Mahindra Agri Solutions Limited
Mahindra HZPC Pvt Limited
Mahindra University
Mahindra Last Mile Mobility Limited
Mahindra Lifespace Developers Limited

d) **Joint Ventures / Associates:**
(entities on whom control is exercised)
Mahindra Finance USA, Inc
Mahindra Manulife Investment Management Pvt. Ltd.
Mahindra Manulife Trustee Pvt. Ltd.

e) **Joint Ventures / Associates of Holding Company:**
(entities with whom the Company has transactions)
Tech Mahindra Limited
Smartshift Logistics Solutions Pvt Ltd.
PSL Media & Communications Ltd

f) **Key Management Personnel:**
Dr. Anish Shah
Mr. Ramesh Iyer *(Ceased to be a director w.e.f. 29 April 2024)*
Mr. Raul Rebello
Mr. Dhananjay Mungale
Mr. C. B. Bhave
Ms. Rama Bijapurkar
Mr. Milind Sarwate
Dr. Rebecca Nugent
Mr. Siddhartha Mohanty *(Ceased to be a director w.e.f. 12 May 2023)*
Mr. Diwakar Gupta *(Appointed w.e.f. 3 February 2023)*
Mr. Ashwani Ghai *(Appointed w.e.f. 23 June 2023)*
Mr. Amar Jyoti Barua *(Appointed w.e.f. 28 July 2023)*
Mr. Amit Kumar Sinha *(Ceased to be a director w.e.f. 28 July 2023)*
Mr. Amit Raje *(Ceased to be a director w.e.f. 28 July 2022)*

g) **Relatives of Key Management Personnel**
(where there are transactions)
Ms. Janaki Iyer
Mr. Risheek Iyer
Ms. Girija Subramanian

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

RELATED PARTY TRANSACTIONS

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
Subvention / Incentive income												
- Mahindra & Mahindra Limited	28.61	72.97	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd.	-	-	-	-	7.94	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	-	2.35	-	-	-	-	-	-
Lease rental income												
- Mahindra & Mahindra Limited	100.64	59.08	-	-	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	-	0.30	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	0.01	0.04	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.39	0.13	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.39	0.29	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	0.28	0.21	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.61	0.19	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	0.13	0.17	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	0.24	0.08	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	0.17	0.08	-	-	-	-	-	-
- Mahindra HZPC Pvt Ltd	-	-	-	-	0.06	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	0.74	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	1.44	0.09	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	0.10	0.10	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.03	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.14	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.51	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	0.67	-	-	-	-	-	-	-
Interest income												

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra & Mahindra Limited	1.85	1.47	-	-	-	-	-	-	-	-	-	-
Income from sharing services												
- Mahindra & Mahindra Limited	-	0.18	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	4.83	5.29	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	2.35	3.30	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	0.59	0.62	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	-	0.01	-	-	-	-
Other Income												
- Mahindra & Mahindra Limited	0.88	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.07	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.00	-	-	-	-	-	-	-	-	-
Dividend Income												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	2.89	4.12	-	-	-	-	-	-	-	-
Interest expense												
- Mahindra & Mahindra Limited	0.05	0.47	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	15.87	14.78	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	2.43	10.80	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	0.15	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.07	0.04	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	8.97	8.02	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.06	0.05	-	-
- Mr. Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.16	0.28
Other expenses												
- Mahindra & Mahindra Limited	52.10	53.44	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	3.67	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	24.37	22.83	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	1.52	2.28	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	0.24	0.02	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	59.33	45.42	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	0.20	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	0.65	0.30	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	-	-	0.01	0.02	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	-	0.05	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.03	0.03	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	12.27	-	-	-	-	-	-	-
- Others	-	-	-	-	0.07	0.66	-	-	-	-	-	-
Donations												
- National Democratic Electoral Trust	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration												
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	8.15	7.09	-	-
- Mr. Raul Rebello	-	-	-	-	-	-	-	-	3.90	-	-	-
- Mr. Amit Raje	-	-	-	-	-	-	-	-	-	8.37	-	-
Sitting fees and commission												
- Mr. C. B. Bhave	-	-	-	-	-	-	-	-	0.53	0.52	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	-	-	0.53	0.53	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	-	-	0.50	0.48	-	-
- Mr. Milind Sarwate	-	-	-	-	-	-	-	-	0.57	0.56	-	-
- Dr. Rebecca Nugent	-	-	-	-	-	-	-	-	0.46	0.42	-	-
- Mr. Diwakar Gupta	-	-	-	-	-	-	-	-	0.50	0.12	-	-
- Mr. Ashwani Ghai	-	-	-	-	-	-	-	-	0.30	-	-	-
- Mr. Siddhartha Mohanty	-	-	-	-	-	-	-	-	0.04	-	-	-
Reimbursement from parties												

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra & Mahindra Limited	2.64	16.20	-	-	-	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	3.10	4.09	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.94	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.07	-	-	-	-	-	-	-	-	-
Reimbursement to parties												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.17	0.32	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	2.65	2.56	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	0.06	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	147.55	130.34	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.18	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.02	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	9.61	9.77	-	-	-	-	-	-
Sale of fixed assets												
- Mahindra Rural Housing Finance Limited	-	-	0.67	0.02	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	0.23	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.19	-	-	-	-	-	-	-
Investments made												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	206.39	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra Finance USA, Inc	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Ideal Finance Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	-	-	13.50	47.50	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	2.10	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.65	0.86	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	135.00	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.85	0.80	-	-
- Mr. Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.17	2.18
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	-	-	23.00	93.65	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	-	1.55	-	-	-	-	-	-
- Mahindra & Mahindra Limited	4.19	13.01	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.80	0.91	-	-
- Mr. Raul Rebello	-	-	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.05	1.83
Dividend paid												
- Mahindra & Mahindra Limited	386.64	231.98	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	1.08	0.92	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.98	0.59	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Ms. Rama Bijapurkar	-	-	-	-	-	-	-	-	0.02	0.01	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	-	-	0.01	0.00	-	-
- Mr. Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.00	0.00
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	37.00	93.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	74.50	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	200.00	-	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	4.26	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	140.00	-	-	-	-	-	-	-
Balances as at the end of the period												
Receivables												
- Mahindra & Mahindra Limited	8.77	22.56	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.17	0.21	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.95	0.01	-	-	-	-	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	-	0.01	-	-	-	-
- NBS International Limited	-	-	-	-	0.40	0.92	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.01	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	0.02	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.03	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.08	0.06	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.00	0.04	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	-	0.03	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	0.01	0.01	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	0.00	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.14	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.45	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd.	-	-	-	-	2.61	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	0.02	-	-	-	-	-	-	-
Loan given (including interest accrued but not due)												
- Mahindra Construction Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits given (including interest accrued but not due)												
- Mahindra Construction Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
- Mahindra Rural Housing Finance Limited	-	-	799.30	799.30	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	206.84	0.45	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	195.30	195.30	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	0.50	0.50	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	0.00	0.00	-	-	-	-	-	-	-	-
- Mahindra Finance USA, Inc	-	-	-	-	-	-	210.55	210.55	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra Ideal Finance Ltd	-	-	77.97	77.97	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	0.02	0.02	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	9.50	9.50	-	-	-	-	-	-
Subordinate debt held (including interest accrued but not due)												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
Payables												
- Mahindra & Mahindra Limited	3.38	1.56	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.14	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	2.74	5.76	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.90	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	0.42	0.37	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	1.17	0.59	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.38	0.59	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
- Others	-	-	-	-	0.00	-	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	63.96	100.64	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	217.26	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	152.28	-	-	-	-	-	-
Debentures (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	4.48	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	155.46	157.48	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.88	0.21	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	145.63	5.29	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.86	0.01	-	-
- Mr. Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.38	0.06

Key Management Personnel as defined in Ind AS 24 - Related Party Disclosures

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

iii) Details of related party transactions with Key Management Personnel (KMP) are as under :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

(₹ in Crores)

Name of the KMP	Nature of transactions	31st March 2024	31st March 2023
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a director w.e.f 29th April 2024)	Gross Salary including perquisites	7.69	6.77
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.46	0.39
		8.15	**7.16**
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed w.e.f. 1st May 2023)	Gross Salary including perquisites	3.67	-
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.23	-
		3.90	**-**
Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit)			
(Ceased to be a director w.e.f 28th July 2022)	Gross Salary including perquisites	-	4.02
	Commission	-	-
	Stock Option	-	4.35
	Others - Contribution to Funds	-	0.07
		-	**8.44**
Mr. Dhananjay Mungale (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.17	0.18
		0.50	**0.48**
Ms. Rama Bijapurkar (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.14	0.13
		0.47	**0.43**
Mr. C.B. Bhave (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.17	0.17
		0.50	**0.47**
Mr. Milind Sarwate (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.21	0.21
		0.54	**0.51**
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.33	0.30

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Name of the KMP	Nature of transactions	31st March 2024	31st March 2023
	Sitting fees	0.10	0.07
		0.43	**0.37**
Diwakar Gupta (Independent Director)			
(Appointed w.e.f. 3rd February 2023)	Commission	0.08	-
	Sitting fees	0.15	0.03
		0.23	**0.03**
Siddharta Mohanty (LIC of India representative)			
(Ceased to be a director w.e.f 12th May 2023)	Commission	0.31	-
	Sitting fees	-	-
		0.31	**-**
Ashwani Ghai (LIC of India representative)			
(Appointed w.e.f. 23rd June 2023)	Commission	-	-
	Sitting fees	0.04	-
		0.04	**-**

iv) **Disclosure required under Section 186 (4) of the Companies Act, 2013**

As at 31st March 2024

(₹ in Crores)

Particulars	Relationship	Balance as on 1st April 2023	Advances / investments	Repayments/ sale	Balance as on 31st March 2024
(A) Loans and advances		-	-	-	-
		-	**-**	**-**	**-**
(B) Unsecured redeemable non-convertible subordinate debentures		-	-	-	-
		-	**-**	**-**	**-**
(C) Investments:					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	206.39	-	206.84
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	-	-	799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00		-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		1,293.59	**206.39**	**-**	**1,499.98**
Total		**1,293.59**	**206.39**	**-**	**1,499.98**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

As at 31st March 2023

(₹ in Crores)

Particulars	Relationship	Balance as on 1st April 2022	Advances / investments	Repayments/ sale	Balance as on 31st March 2023
(A) Loans and advances		-	-	-	-
		-	**-**	**-**	**-**
(B) Unsecured redeemable non-convertible subordinate debentures		-	-	-	-
		-	**-**	**-**	**-**
(C) Investments:					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	-	-	0.45
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	-	-	799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50			0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00	-	-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		1,293.59	**-**	**-**	**1,293.59**
Total		**1,293.59**	**-**	**-**	**1,293.59**

Notes :

i) Above loans & advances and investments have been given for general business purposes of the recipient and figures are at historical cost.

ii) There were no guarantees given / securities provided during the year.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

53 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2024 Amount Outstanding	As at 31st March 2024 Amount Overdue	As at 31st March 2023 Amount Outstanding	As at 31st March 2023 Amount Overdue
	Liabilities side:				
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :**				
	(a) Debentures :				
	- Secured	21,738.40	-	20,716.06	-
	- Unsecured	1,076.51	-	1,076.04	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	46,474.21	-	30,820.00	-
	(d) Inter-corporate loans and Other Borrowings	236.57	-	984.66	-
	(e) Commercial Paper	4,882.12	-	3,936.00	-
	(f) Public Deposits	6,109.41	-	5,309.42	-
	(g) Fixed Deposits accepted from Corporates	1,434.77	-	564.80	-
	(h) External Commercial Borrowings	2,156.61	-	2,583.92	-
	(i) Associated liabilities in respect of securitisation transactions	5,597.65	-	6,723.77	-
	(j) Subordinate debt (including NCDs issued through Public issue)	4,270.15	-	3,705.34	-
	(k) Other Short Term Loans and credit facilities from banks	2.47	-	255.87	-
2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	6,109.41	-	5,309.42	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Sr. No.	Particulars	Amount Outstanding As at 31st March 2024	Amount Outstanding As at 31st March 2023
	Asset side:		
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured	-	-
	(b) Unsecured	4,992.85	4,607.48
4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	16.75	2.18
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	108.37	70.23
	(b) Loans other than (a) above	94,101.95	74,796.68
5)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares :		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	11.83	8.92
	(iii) Units of mutual funds	52.86	-
	(iv) Government Securities	583.03	588.58
	(v) Investments in Certificate of Deposits with Banks	967.73	1,973.02
	(vi) Investments in Commercial Papers	757.41	94.12
	2. Unquoted :		
	(i) Shares :	-	-
	(a) Equity		
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Certificate of Deposits with Banks	-	-
	(vi) Commercial Papers	-	-
	(vii) Investments in Pass Through Certificates under securitisation transactions	-	119.95
	(viii) Investment in Triparty Repo Dealing System (TREPS)	124.98	-
	Long Term Investments :		
	1. Quoted :		
	(i) Shares :		
	(a) Equity	0.22	0.06
	(b) Preference	-	-
	(ii) Debentures and Bonds (Bonds of FCI NCDs of NABARD)	479.18	377.40

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Sr. No.	Particulars	Amount Outstanding As at 31st March 2024	Amount Outstanding As at 31st March 2023
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	5,193.63	5,550.13
	2. Unquoted :		
	(i) Shares :		
	(a) Equity	1,478.36	1,271.97
	(b) Preference	-	-
	(ii) Debentures and Bonds	1.59	1.59
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Investments in Pass Through Certificates under securitisation transactions	-	2.88

6) Borrower group-wise classification assets financed as in (3) and (4) above :

(₹ in Crores)

Category	As at 31st March 2024 Amount net of provisions			As at 31st March 2023 Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	94,210.32	5,009.60	99,219.92	74,866.91	4,609.66	79,476.57
Total	**94,210.32**	**5,009.60**	**99,219.92**	**74,866.91**	**4,609.66**	**79,476.57**

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Crores)

Category	As at 31st March 2024		As at 31st March 2023	
	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	1,084.11	1,084.11	877.72	877.72
(b) Companies in the same group	448.76	448.76	448.76	448.76
(c) Other related parties	-	-	-	-
2. Other than related parties	8,172.46	8,117.95	8,717.63	8,662.14
Total	**9,705.33**	**9,650.82**	**10,044.11**	**9,988.62**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

8) Other information:

(₹ in Crores)

Particulars	31st March 2024 Amount	31st March 2023 Amount
i) Gross Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	3,490.90	3,717.10
ii) Net Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	1,285.96	1,507.08
iii) Assets acquired in satisfaction of debt :	1.81	1.65

54 Balance sheet disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

The Reserve Bank of India, vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'.

I) Capital

Particulars	As at 31st March 2024	As at 31st March 2023
CRAR (%)	18.86%	22.52%
CRAR-Tier I Capital (%)	16.39%	19.87%
CRAR-Tier II Capital (%)	2.47%	2.65%
Amount of subordinated debt raised as Tier-II capital (₹ in crore)	700.00	380.00
Amount raised by issue of Perpetual Debt Instruments	-	-

II) Investments

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Value of Investments		
(i) Gross Value of Investments		
(a) In India	9,416.81	9,755.59
(b) Outside India	288.52	288.52
(ii) Provisions for Depreciation		
(a) In India	-	0.98
(b) Outside India	54.51	54.51
(iii) Net Value of Investments		
(a) In India	9,416.81	9,754.61
(b) Outside India	234.01	234.01
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	55.49	1.61
(ii) Add : Provisions made during the year	-	54.51
(iii) Less : Write-off / write-back of excess provisions during the year	(0.98)	(0.63)
(iv) Closing balance	54.51	55.49

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

III) Derivatives

a) Forward Rate Agreement (FRA) / Cross Currency, Interest Rate Swap (IRS)

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
(i) The notional principal of swap agreements	2,372.22	2,731.11
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the Company upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book (Asset / (Liability (net))	(335.27)	(180.70)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures -

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., Counter Party Risk, Market Risk, Operational Risk, Basis Risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D / CFO / Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Quantitative Disclosures

d) Foreign currency non-repatriate loans availed:

(₹ in Crores)

	As at 31st March 2024		As at 31st March 2023	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging		2,372.22		2,731.11
ii) Marked to Market Positions [1]				
(a) Asset (+) Estimated gain	-		-	
(b) Liability (-) Estimated loss	(332.58)	(2.69)	(162.83)	(17.87)
iii) Credit Exposure [2]	-	-	-	-
iv) Unhedged Exposures	-	-	-	-

IV) Disclosures relating to Securitization

a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24th September 2021

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2024	As at 31st March 2023
1)	No. of Special Purpose Entities (SPEs) holding assets for securitisation transactions originated by the NBFC (only the Special Purpose Vehicles (SPVs) relating to outstanding securitisation exposures to be reported here)	16	21
2)	Total amount of securitised assets as per books of the SPEs	5,592.45	6,718.60
3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet -		
	a) Off-balance sheet exposures		
	First loss-		
	- Credit enhancement in form of corporate undertaking	1,449.61	1,981.38
	Others	-	-
	b) On-balance sheet exposures		
	First loss-		
	- Cash collateral term deposits with banks	443.78	122.08
	Others -		
	- Retained interest in pass through certificates (excluding accrued interest)	-	-
4)	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitisations		
	First Loss	-	-
	Others -	-	-
	- Excess Interest Spread	679.46	678.83
	(ii) Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Sr. No.	Particulars	As at 31st March 2024	As at 31st March 2023
	b) On-balance sheet exposures		
	(i) Exposure to own securitisations		
	First Loss	-	-
	Others -	-	-
	- Cash collateral term deposits with banks	-	-
	(ii) Exposure to third party securitisations		
	First Loss	-	-
	Others	-	-
5)	Sale consideration received for the securitised assets (for transactions executed during the year)	2,928.80	3,954.85
	Gain/loss on sale on account of securitisation	Nil	Nil
6)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. The Company has assumed Role of Servicer for all outstanding securitisation transactions. Servicing fee received during the financial year is disclosed.	13.16	18.96
7)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement :		
	a) Opening Balance Outstanding	2,103.46	2,023.10
	b) Additions during the year (Fresh Transactions)	378.69	427.31
	c) Top Up during the year	-	538.82
	d) Reductions during the year (Matured Transactions)	588.76	346.95
	e) Withdrawal during the year	-	538.82
	f) Closing Balance Outstanding	1,893.39	2,103.46
	Excess Interest Spread (EIS) (Amount Held In Trust):		
	a) Opening Balance Outstanding	965.56	679.46
	b) Additions during the year (Fresh Transactions)	3.70	15.04
	c) Top Up during the year	252.14	465.94
	d) Reductions during the year (Matured Transactions)	325.27	194.88
	e) Withdrawal during the year	-	-
	f) Closing Balance Outstanding	896.13	965.56
8)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc # # (may mention average default rate of previous 5 years)		
	a) Agriculture & allied activities*	8.58%	9.46%
	b) Auto Loans*	6.33%	6.84%
	* % of NPA to total advances to that asset class		
9)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
10)	Investor complaints -		
	a) Directly/Indirectly received	Nil	Nil
	b) Complaints outstanding	Nil	Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the current year and the previous year, the Company has not sold any financial assets to Securitisation /Reconstruction Company for asset reconstruction.

V) Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

During the current year and the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

During the current year and the previous year, the Company has not transferred or acquired any stressed loans.

VI) Exposures

a) Exposure to Real Estate Sector [refer note no. 56 (A) (1)]

b) Exposure to Capital Market [refer note no. 56 (A) (2)]

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2023-24, 51 % (31st March 2023: 50%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) /Group Borrower Limit (GBL).

e) Unsecured Advances

As at 31st March 2024, the amount of unsecured advances stood at ₹ 5,027.31 crore (31st March 2023: ₹ 4,638.98 crore). There are no advances secured against intangible assets.

VII) Miscellaneous

a) Registration obtained from other financial sector regulators

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b) Disclosure of Penalties and strictures imposed by RBI and other regulators

During the year under review, monetary penalty of ₹ 6.77 crore was levied by the RBI vide its order dated 5th April 2023 for deficiencies in regulatory compliances with the RBI directions on fair practices which was reported in note. no. 53 (VII)(b)(ii) of Standalone Financial Statements of the Company for the year ended 31st March 2023.

c) Related Party Transactions

(Refer note no. 52)

d) Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Ratings Limited (CRISIL), has reaffirmed the credit rating of the Company's Long Term Bank Facilities, Non- Convertible Debentures, Subordinated Debt, Bank Facilities and Fixed Deposit as 'CRISIL AAA/ Stable'. The rating on the Company's Short-term Bank facilities and Commercial Paper has been reaffirmed at 'CRISIL A1+' which indicates very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term Debt instruments, Subordinated Debt programme, Bank

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Facilities and Fixed Deposit Programme as 'IND AAA/Stable' and Principal protected market linked debenture as IND PP-MLD AAA /Stable. The Company's Short Term Bank Loans, Commercial Paper has been rated at IND A1+.

During the year under review, CARE Ratings, also reaffirmed the 'CARE AAA; Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme.

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/stable' rating of the Company's Long-term Subordinated Debt Issue.

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

'A1+' ratings indicate very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

VIII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

IX) Revenue Recognition

Refer note no. 2.6 under Summary of Material Accounting Policies.

X) Indian Accounting Standard 27 (Ind AS 27) - Consolidated and Separate Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS)

XI) Provisions and Contingencies

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	(0.98)	(0.64)
Provision towards non-performing assets (Stage 3 assets)	(4.93)	(680.32)
Provision made towards Income tax	664.93	486.28
Other Provision and Contingencies	(0.41)	0.26
Provision for diminution in the fair value of restructured advances	-	-
Provision for Standard Assets (Stage 1 and Stage 2 assets)	112.83	(533.81)

Draw Down from Reserves

Year ended 31st March 2024 : Nil

Year ended 31st March 2023 : Nil

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Deposits of twenty largest depositors	963.28	389.59
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC.	13.4%	7.1%

b) Concentration of Advances

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Advances to twenty largest borrowers	1,354.63	1,587.51
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.3%	1.9%

c) Concentration of Exposures

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Exposure to twenty largest borrowers / customers	1,354.63	1,587.51
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.3%	1.9%

d) Concentration of NPAs

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Total Exposure to top four NPA accounts	18.42	34.90

e) Sector-wise NPAs *

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
i) Agriculture & allied activities	4.5%	5.3%
ii) Auto loans	3.5%	4.7%
iii) MSME	0.9%	1.1%
iv) Corporate borrowers	0.8%	1.6%
v) Unsecured personal loans	2.2%	1.6%
vi) Other personal loans	-	-
vii) Services	-	-

* NPA represent stage 3 assets

f) Movement of NPAs *

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
i) Net NPAs to Net Advances (%)	1.28%	1.87%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
ii) Movement of NPAs (Gross)		
(a) Opening balance	3,717.10	4,976.30
(b) Additions during the year	2,214.13	2,071.13
(c) Reductions during the year	(2,440.33)	(3,330.33)
(d) Closing balance	3,490.90	3,717.10
iii) Movement of Net NPAs		
(a) Opening balance	1,507.08	2,085.95
(b) Additions during the year	774.62	811.31
(c) Reductions during the year	(995.74)	(1,390.19)
(d) Closing balance	1,285.96	1,507.08
iv) Movement of provisions for NPAs		
(a) Opening balance	2,210.03	2,890.35
(b) Provisions made during the year	1,439.50	1,259.84
(c) Write-off / write-back of excess provisions	(1,444.59)	(1,940.16)
(d) Closing balance	2,204.94	2,210.03

* NPA represent stage 3 assets

XIII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

(₹ in Crores)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV / Subsidiary	Country	Total Assets	
			As at 31st March 2024	As at 31st March 2023
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	4,795.35	4,608.95
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	204.38	127.67

XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

(₹ in Crores)

Name of the SPV sponsored -	
Domestic	Overseas
N/A	N/A

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at 31st March 2024

(₹ in Crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	26.91	28.18	85.26	132.65	174.22	527.43	1,682.31	3,574.78	943.00	-	7,174.74
Advances	897.06	911.12	5,058.09	3,443.27	3,509.18	8,491.03	14,858.08	44,294.00	15,741.87	1,991.48	99,195.18
Investments	524.90	-	326.30	322.18	153.12	-	1,072.02	2,812.22	1,422.11	3,017.97	9,650.82
Borrowings	2,136.00	481.59	814.96	2,496.41	5,529.99	5,291.91	11,233.53	36,720.67	9,980.68	8,262.63	82,948.37
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	181.80	-	-	-	-	181.80	1,738.46	-	-	2,102.06

As at 31st March 2023

(₹ in Crores)

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	20.45	26.92	85.01	111.78	198.78	576.05	815.09	3,255.96	434.56	-	5,524.60
Advances	860.73	767.79	4,277.12	3,036.57	3,031.59	7,494.47	12,532.13	34,642.52	11,914.42	897.39	79,454.73
Investments	-	314.41	173.48	230.42	332.00	637.13	1,097.15	2,349.75	1,749.79	3,104.49	9,988.62
Borrowings	890.97	55.10	1,467.94	2,192.55	3,529.14	5,133.65	11,851.74	25,360.28	8,939.53	7,449.65	66,870.55
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	309.00	-	-	2,241.71	-	-	2,550.71

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

55 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

(A) Public disclosure on liquidity risk :

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31st March 2024 (₹ in Crores)

Sr. No.	Particulars	Number of Significant Counterparties	Amount (₹ in crore)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	60,013.25	836.5%	61.9%

As at 31st March 2023 (₹ in Crores)

Sr. No.	Particulars	Number of Significant Counterparties	Amount (₹ in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	17	48,569.35	879.1%	61.38%

ii) Top 20 large deposits (amount in ₹ in crores and % of total deposits)

As at 31st March 2024

Description	Amount (₹ in crores)	% of Total deposits
Total for Top 20 large deposits	963.28	13.4%

As at 31st March 2023

Description	Amount (₹ in crore)	% of Total deposits
Total for Top 20 large deposits	389.59	7.1%

iii) Top 10 borrowings (amount in ₹ in crores and % of total borrowings)

As at 31st March 2024

Description	Amount (₹ in crores)	% of Total borrowings
Total for Top 10 borrowings	48,642.29	52.74%

As at 31st March 2023

Description	Amount (₹ in crores)	% of Total borrowings
Total for Top 10 borrowings	41,451.18	55.31%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

iv) Funding Concentration based on significant instrument/product

(₹ in Crores)

Sr. No.	Name of the instrument/product	As at 31st March 2024		As at 31st March 2023	
		Amount (₹ in crore)	% of Total liabilities	Amount (₹ in crore)	% of Total liabilities
1	Non-convertible debentures (Secured)	21,843.82	22.52%	20,459.27	25.86%
2	Term loans from banks (including FCNR loans)	46,244.83	47.67%	30,707.15	38.81%
3	External Commercial Borrowings	2,102.05	2.17%	2,550.71	3.22%
4	Associated liabilities in respect of securitisation transactions	5,592.45	5.77%	6,718.60	8.49%
5	Public deposits	7,174.74	7.40%	5,524.60	6.98%
6	Subordinated redeemable non-convertible debentures	4,005.66	4.13%	3,442.13	4.35%
7	Commercial Papers (Unsecured)	4,882.12	5.03%	3,936.00	4.97%
8	Inter-corporate deposits (ICDs)	-	-	937.62	1.18%
		91,845.67	**94.68%**	**74,276.08**	**93.87%**
	Funding Concentration pertaining to insignificant instruments/products	379.50	0.39%	669.78	0.85%
	Total borrowings under all instruments/products	**92,225.17**	**95.08%**	**74,945.86**	**94.72%**

v) Stock Ratios

As at 31st March 2024

(₹ in Crores)

Sr. No.	Name of the instrument/product	Amount (₹ in crore)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	4,882.12	5.29%	5.03%	4.24%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	3,624.55	3.93%	3.74%	3.15%

As at 31st March 2023

(₹ in Crores)

Sr. No.	Name of the instrument/product	Amount (₹ in crore)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	3,936.00	5.25%	4.97%	4.09%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	3,292.49	4.39%	4.16%	3.42%

vi) Institutional set-up for liquidity risk management

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

monitored. The Company maintains a positive cumulative mismatch in all buckets. As on 31st March 2024, the Company maintained a liquidity buffer of approximately ₹ 7,963 crore.

Definition of terms as used in the table above:

a) **Significant counterparty:**

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) **Significant instrument/product:**

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) **Total liabilities:**

Total liabilities include all external liabilities (other than equity).

d) **Public funds:**

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, Debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/ products.

e) **Other short-term liabilities:**

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

56) Disclosure requirements under Scale Based Regulation (SBR) - A Revised Regulatory Framework for NBFCs as per circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022

The Reserve Bank of India, vide its circular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22nd October 2021 outlined the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and thereafter issued another circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19th April 2022, requiring NBFCs to make certain additional disclosures in their financial statements in accordance with the SBR framework.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Section - I

1) Exposure to Real Estate Sector

(₹ in Crores)

Category	As at 31st March 2024	As at 31st March 2023
i) Direct exposure		
a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	-	-
b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	-	-

2) Exposure to Capital Market

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
i) Category I	-	-
ii) Category II	-	-
iii) Category III	-	-
Total Exposure to Capital Market	-	-

3) Sectoral exposure

(₹ in Crores)

Sr. No.	Sectors	As at 31st March 2024			As at 31st March 2023		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1)	**Agriculture & allied activities**	15,588.35	720.86	4.6%	14,218.54	795.36	5.6%
2)	**Industry**						
	i) Micro and Small	2,792.61	34.55	1.2%	2,051.24	26.81	1.3%
	ii) Medium	689.40	2.31	0.3%	585.07	3.34	0.6%
	iii) Large	1,330.40	6.24	0.5%	1,915.44	19.54	1.0%
	iv) Others - Trade advances to Dealers	2,879.10	6.87	0.2%	2,599.15	6.93	0.3%
	Total of Industry	7,691.51	49.97	0.6%	7,150.90	56.62	0.8%
3)	**Services**						
	i) Transport Operators	29,340.33	1,259.11	4.3%	26,471.29	1,402.71	5.3%
	ii) Others	-	-	-	-	-	-
	Total of Services	29,340.33	1,259.11	4.3%	26,471.29	1,402.71	5.3%
4)	**Retail / Personal loans**						
	i) Consumer Durables	78.38	5.59	7.1%	170.45	5.08	3.0%
	ii) Vehicle/Auto Loans	47,930.09	1,410.28	2.9%	33,553.44	1,390.74	4.1%
	iii) Personal loans	427.72	5.52	1.3%	388.72	3.66	0.9%
	iv) Others	1,540.40	39.57	2.6%	970.82	62.93	6.5%
	Total of Retail /Personal loans	49,976.59	1,460.96	2.9%	35,083.43	1,462.41	4.2%
5)	**Others (if any; to specify)**	-	-	-	-	-	-
		102,596.77	**3,490.90**	**3.4%**	**82,924.16**	**3,717.10**	**4.5%**

i) The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.

ii) In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

4) Intra-group exposures

(₹ in Crores)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
i) Total amount of intra-group exposures	1,532.87	1,532.87
ii) Total amount of top 20 intra-group exposures	1,532.87	1,532.87
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.36%	1.65%

5) Unhedged foreign currency exposure

Details of its unhedged foreign currency exposures :

As at 31st March 2024:Nil

As at 31st March 2023: Nil

Policies to manage currency induced risk:

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract and cross currency swaps.

B) Related Party Disclosure (refer Annexure - 1)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

As at 31st March 2024

(₹ in Crores)

Sr. No.	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	158	179
2	Number of complaints received during the year	1,7857	1,6549
3	Number of complaints disposed during the year	1,7610	1,6570
	3.1 Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	405	158
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	853	407
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	262	385
	5.2 Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	299	16
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	1	6
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 31st March 2024					
Loan and advances	88	10,238	-8%	122	7
Staff behaviour	46	2,565	13%	111	16
Levy of charges without prior notice/ excessive charges/ foreclosure charges	1	843	-31%	12	-
Fixed deposit related	-	32	-35%	-	-
Difficulty in operation of accounts	-	279	1368%	2	-
Others	23	3,900	115%	158	12
Total	**158**	**17,857**	**8%**	**405**	**35**
Year ended 31st March 2023					
Loan and advances	82	1,1176	-14%	88	4
Staff behaviour	49	2,269	12%	46	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	6	1,225	-14%	1	1
Fixed deposit related	-	49	-93%	-	-
Difficulty in operation of accounts	-	19	-17%	-	-
Others	42	1,811	-2%	23	-
Total	**179**	**16,549**	**-13%**	**158**	**5**

Section - II

A) Breach of covenant

During the current year and previous year there is no instances of breach of covenant of loan availed or debt securities issued.

B) Divergence in Asset Classification and Provisioning

Disclosure of details of divergence, if either or both of the following conditions are satisfied:

a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

As per the RBI inspection report for the reference period 31st March 2023, the assessment of Divergence in Asset Classification and Provisioning is below the threshold as defined under a) and b) above and hence the details as required in tabular form is not presented here.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Section - III

A) Disclosure for NBFCs-UL

Mandatory listed within three years of identification as NBFC-UL - Not Applicable for the Company

Annexure - 1

Related Party Disclosure for the year ended 31 March 2024

(₹ in Crores)

Sr No.	Item/Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate*		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	(37.50)	63.96	102.48	(340.00)	-	582.69	-	-	-
2	Deposits	(4.19)	-	4.51	(9.50)	155.46	163.06	135.65	146.50	147.15	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Investmets	-	-	-	206.39	1,084.10	1,084.10	-	9.52	9.52	-	406.35	406.35
6	Purchase of fixed/other assets	147.55	-	-	0.20	-	-	9.61	-	-	-	-	-
7	Sale of fixed/other assets	0.23	-	-	0.67	-	-	0.19	-	-	-	-	-
8	Interest paid	0.05	-	-	15.87	-	-	11.46	-	-	-	-	-
9	Interest received	1.85	-	-	-	-	-	-	-	-	-	-	-
10	Others												
	- Dividend paid	386.64	-	-	1.08	-	-	-	-	-	-	-	-
	- Lease rental income	100.64	-	-	-	-	-	5.90	-	-	-	-	-
	- Subvention/Incentive	28.61	-	-	-	-	-	7.94	-	-	-	-	-
	- Other Transactions	55.62	12.15	-	12.30	3.26	-	104.21	9.41	-	0.65	-	-
	Total	**717.00**	**12.15**	**4.51**	**189.52**	**1,306.78**	**1,349.64**	**(65.03)**	**165.43**	**739.36**	**0.65**	**406.35**	**406.35**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Sr No.	Item/Related Party	5. Directors			6. Relatives of Directors			7. Key Management Personnel			8. Relatives of Key Management Personnel		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	-	-	0.05	0.86	0.86	0.12	2.38	2.39
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
8	Interest paid	-	-	-	-	-	-	0.06	-	-	0.16	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-
10	Others												
	- Dividend paid	-	-	-	-	-	-	1.00	-	-	0.00	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-
	- Subvention/Incentive	-	-	-	-	-	-	-	-	-	-	-	-
	- Other Transactions	-	-	-	-	-	-	15.47	-	-	-	-	-
	Total				**-**	**-**	**-**	**16.59**	**0.86**	**0.86**	**0.28**	**2.38**	**2.39**

(₹ in Crores)

Sr No.	Item/Related Party	9. Others			Total		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	(377.50)	63.96	685.17
2	Deposits	-	-	-	122.14	305.20	317.97
3	Placement of deposits	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-
5	Investments	-	-	-	206.39	1,499.97	1,499.97
6	Purchase of fixed/other assets	-	-	-	157.36	-	-
7	Sale of fixed/other assets	-	-	-	1.09	-	-
8	Interest paid	-	-	-	27.60	-	-
9	Interest received	-	-	-	1.85	-	-
10	Others						
	- Dividend paid	-	-	-	388.73	-	-
	- Lease rental income	-	-	-	106.54	-	-
	- Subvention/Incentive	-	-	-	36.56	-	-
	- Other Transactions	-	-	-	188.25	24.81	-
	Total	**-**	**-**	**-**	**859.01**	**1,893.95**	**2,503.11**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Annexure 1

Related Party Disclosure for the year ended 31 March 2023

Sr No.	Item/Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate*		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	93.00	100.64	101.02	(4.26)	369.54	377.21	-	-	-
2	Deposits	(10.91)	4.48	15.85	(46.15)	157.48	200.62	(0.69)	5.50	6.27	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	2.39	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	877.72	877.72	-	9.52	9.52	-	406.35	406.35
6	Purchase of fixed/other assets	130.34	-	-	-	-	-	9.77	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	0.02	-	-	-	-	-	-	-	-
8	Interest paid	0.47	-	-	14.78	-	-	19.00	-	-	-	-	-
9	Interest received	1.47	-	-	-	-	-	-	-	-	-	-	-
10	Others												
	- Dividend paid	231.98	-	-	0.92	-	-	-	-	-	-	-	-
	- Lease rental income	59.08	-	-	-	-	-	1.68	-	-	-	-	-
	- Subvention/Incentive	72.97	-	-	-	-	-	2.35	-	-	-	-	-
	- Other Transactions	67.44	24.12	-	16.90	0.21	-	78.28	8.37	-	0.62	0.01	-
	Total	**555.23**	**28.60**	**15.85**	**79.47**	**1,136.05**	**1,179.36**	**106.13**	**392.93**	**392.99**	**0.62**	**406.36**	**406.35**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Sr No.	Item/Related Party	5. Directors			6. Relatives of Directors			7. Key Management Personnel			8. Relatives of Key Management Personnel		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-	-		-	-	-	-	-	-
2	Deposits	(0.12)	0.01	0.01	0.35	0.06	0.06	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Investmets	-	-	-	-	-	-	-	-	-	-	-	-
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
8	Interest paid	0.05	-	-	0.28	-	-	-	-	-	-	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-
10	Others												
	- Dividend paid	0.61	-	-	0.00	-	-	-	-	-	-	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-
	- Subvention/Incentive	-	-	-	-	-	-	-	-	-	-	-	-
	- Other Transactions	18.08	-	-	-	-	-	-	-	-	-	-	-
	Total	**18.62**	**0.01**	**0.01**	**0.63**	**0.06**	**0.06**	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Sr No.	Item/Related Party	9. Others			Total		
		Transaction value	Outstanding year end	Maximum O/s during the year	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	88.74	470.18	478.23
2	Deposits	-	-	-	(57.52)	167.53	222.81
3	Placement of deposits	-	-	-	-	-	-
4	Advances	-	-	-	2.39	-	-
5	Investmets	-	-	-	-	1,293.58	1,293.58
6	Purchase of fixed/other assets	-	-	-	140.11	-	-
7	Sale of fixed/other assets	-	-	-	0.02	-	-
8	Interest paid	-	-	-	34.58	-	-
9	Interest received	-	-	-	1.47	-	-
10	Others						
	- Dividend paid	-	-	-	233.51	-	-
	- Lease rental income	-	-	-	60.76	-	-
	- Subvention/Incentive	-	-	-	75.32	-	-
	- Other Transactions	-	-	-	181.33	32.71	-
	Total	**-**	**-**	**-**	**760.70**	**1,964.00**	**1,994.62**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

57 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24 dated 19th October 2023

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no.RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023 all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR), of 85% by 1st December 2023, progressively increasing, till it reaches the required level of 100%, by 1st December 2024.

Liquidity Coverage Ratio (LCR) for the year ended 31 March 2024

(₹ in Crores)

	Particulars	Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
Cash Outflows									
2	Deposits (for deposit taking companies)	117.50	117.50	144.92	144.92	163.70	163.70	172.94	172.94
3	Unsecured wholesale funding	1,433.15	1,433.15	856.29	856.29	956.20	956.20	869.62	869.62
4	Secured wholesale funding	1,675.10	1,675.10	1,058.74	1,058.74	1,249.03	1,249.03	1,397.62	1,397.62
5	**Additional requirements, of which**								
	i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	2,029.11	2,029.11	1,745.90	1,745.90	1,743.28	1,743.28	1,952.53	1,952.53
7	Other contingent funding obligations	109.07	109.07	215.15	215.15	320.75	320.75	156.55	156.55
8	**TOTAL CASH OUTFLOWS**	5,363.94	5,363.94	4,021.00	4,021.00	4,432.97	4,432.97	4,549.26	4,549.26
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	5,671.24	5,671.24	6,271.58	6,271.58	5,925.09	5,925.09	5,024.14	5,024.14
11	Other cash inflows	849.23	849.23	880.79	880.79	888.20	888.20	745.38	745.38
12	**TOTAL CASH INFLOWS**	6,520.47	6,520.47	7,152.37	7,152.37	6,813.29	6,813.29	5,769.52	5,769.52
TOTAL ADJUSTED VALUES									
13	**TOTAL HQLA**	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
14	TOTAL NET CASH OUTFLOWS	(1,156.53)	(1,156.53)	(3,131.37)	(3,131.37)	(2,380.32)	(2,380.32)	(1,220.26)	(1,220.26)
	25 % of Total Cash Out Flow	1,340.98	1,340.98	1,005.25	1,005.25	1,108.24	1,108.24	1,137.31	1,137.31
15	**LIQUIDITY COVERAGE RATIO (%)**	401%	360%	566%	509%	455%	409%	514%	462%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Computation of Net cash outflows

(₹ in Crores)

	Net Cash outflows over the 30 days period	Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	6,168.53	6,168.53	4,624.15	4,624.15	5,097.92	5,097.92	5,231.65	5,231.65
B	Stressed Cash Inflows @ 75% of Inflows	4,890.35	4,890.35	5,364.28	5,364.28	5,109.97	5,109.97	4,327.14	4,327.14
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	1,278.18	1,278.18	(740.13)	(740.13)	(12.05)	(12.05)	904.51	904.51
D	25% of Stressed Cash Outflows	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
E	Greater Value of C or D	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1 / E)	349%	313%	492%	443%	396%	356%	447%	402%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.

2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

4) Components of High Quality Liquid Assets (HQLA)

(₹ in Crores)

	Net Cash outflows over the 30 days period	Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
-	Cash	107.61	107.61	143.90	143.90	124.07	124.07	156.36	156.36
-	Government securities	4,917.56	4,425.80	5,194.90	4,675.41	4,565.56	4,109.00	5,321.93	4,789.74
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
-	Corporate Bonds	350.39	297.83	350.39	297.83	351.47	298.75	366.87	311.84
-	Commercial Papers	-	-	-	-	-	-	-	-
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
-	Commercial Papers	-	-	-	-	-	-	-	-
TOTAL		**5,375.55**	**4,831.24**	**5,689.19**	**5,117.14**	**5,041.10**	**4,531.83**	**5,845.16**	**5,257.93**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

57 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR) from 1st December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1st December 2024.

Liquidity Coverage Ratio (LCR) for the year ended 31st March 2023

(₹ in Crores)

	Particulars	Quarter ended 31st March 2023		Quarter ended 31st December 2022		Quarter ended 30th September 2022		Quarter ended 30th June 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	4,988.13	4,471.23	5,696.33	5,116.13	5,080.11	4,568.31	5,838.19	5,241.28
Cash Outflows									
2	Deposits (for deposit taking companies)	193.49	193.49	391.76	391.76	480.84	480.84	449.92	449.92
3	Unsecured wholesale funding	981.27	981.27	645.06	645.06	234.54	234.54	369.13	369.13
4	Secured wholesale funding	2,359.63	1,417.96	2,254.70	1,987.03	2,981.62	2,841.62	2,802.90	2,802.90
5	**Additional requirements, of which**								
	i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1,967.74	1,967.74	1,921.76	1,921.76	1,672.77	1,672.77	1,525.67	1,525.67
7	Other contingent funding obligations	80.92	80.92	44.23	44.23	44.23	44.23	44.23	44.23
8	**TOTAL CASH OUTFLOWS**	5,583.05	4,641.38	5,257.51	4,989.84	5,414.00	5,274.00	5,191.85	5,191.85
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	5,059.11	5,059.11	5,882.42	5,882.42	6,201.42	6,201.42	4,714.34	4,714.34
11	Other cash inflows	3,798.33	3,798.33	3,476.79	3,476.79	2,331.06	2,331.06	2,416.97	2,416.97
12	**TOTAL CASH INFLOWS**	8,857.44	8,857.44	9,359.21	9,359.21	8,532.48	8,532.48	7,131.31	7,131.31
TOTAL ADJUSTED VALUES									
13	**TOTAL HQLA**	4,988.13	4,471.23	5,696.33	5,116.13	5,080.11	4,568.31	5,838.19	5,241.28
14	**TOTAL NET CASH OUTFLOWS**	(3,274.39)	(4,216.06)	(4,101.70)	(4,369.37)	(3,118.47)	(3,258.48)	(1,939.46)	(1,939.46)
	25 % of Total Cash Out Flow	1,395.76	1,160.35	1,314.38	1,247.46	1,353.50	1,318.50	1,297.96	1,297.96
15	**LIQUIDITY COVERAGE RATIO (%)**	357%	385%	433%	410%	375%	346%	450%	404%

Computation of Net cash outflows

(₹ in Crores)

	Net Cash outflows over the 30 days period	Quarter ended 31st March 2023		Quarter ended 31st December 2022		Quarter ended 30th September 2022		Quarter ended 30th June 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	6,420.51	5,337.59	6,046.13	5,738.31	6,226.10	6,065.10	5,970.63	5,970.63
B	Stressed Cash Inflows @ 75% of Inflows	6,643.08	6,643.08	7,019.40	7,019.40	6,399.36	6,399.36	5,348.48	5,348.48
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	(222.57)	(1,305.49)	(973.27)	(1,281.09)	(173.25)	(334.26)	622.15	622.15
D	25% of Stressed Cash Outflows	1,605.13	1,334.40	1,511.53	1,434.58	1,556.53	1,516.28	1,492.66	1,492.66
E	Greater Value of C or D	1,605.13	1,334.40	1,511.53	1,434.58	1,556.53	1,516.28	1,492.66	1,492.66
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1 / E)	311%	335%	377%	357%	326%	301%	391%	351%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.

2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

4) Components of High Quality Liquid Assets (HQLA)

(₹ in Crores)

	Particulars	Quarter ended 31st March 2023		Quarter ended 31st December 2022		Quarter ended 30th September 2022		Quarter ended 30th June 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Government securities	4,626.27	4,163.65	5,484.95	4,936.46	5,004.31	4,503.87	5,576.33	5,018.70
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	361.86	307.58	178.44	151.67	75.81	64.43	261.86	222.58
	- Commercial Papers	-	-	32.94	28.00	-	-	-	-
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	-	-	-	-	-	-	-	-
TOTAL		**4,988.13**	**4,471.23**	**5,696.33**	**5,116.13**	**5,080.12**	**4,568.30**	**5,838.19**	**5,241.28**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

58 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year ended 31st March 2022, to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May 2021

Format - B: For the year ended 31st March 2024

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year * (E)
Personal Loans	327.36	14.18	1.76	111.18	200.24
Corporate persons ^	21.85	-	-	6.33	15.52
Of which, *MSMEs*	-	-	-	-	-
Others -					-
- Vehicle loans for commercial purpose	469.85	17.23	6.40	176.62	269.60
Total	**819.06**	**31.41**	**8.16**	**294.13**	**485.36**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till 30th September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 [Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)]

No. of accounts restructured*	Amount (₹ in crores)**
756	51.36

* accounts restructured are retail loans used for commercial purpose.

** represents the closing balance of loan accounts as at 31st March 2024 out of the loans restructured in earlier years.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

i) Disclosure as required under Guideliness on Resolutions Framework for COVID-19 related Stress Issued by RBI

Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution of Covid-19 related stress of Individuals and Small Businesses).

Format - B: For the year ended 31st March 2023

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year * (E)
Personal Loans	779.18	57.82	35.94	167.95	517.47
Corporate persons ^	34.80	-	-	5.57	29.23
Of which, *MSMEs*	-	-	-	-	-
Others -					
- Vehicle loans for commercial purpose	1,176.13	89.45	167.67	157.59	761.42
Total	**1,990.11**	**147.27**	**203.61**	**331.11**	**1,308.12**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of One Time Restructuring 2.0, above includes restructuring implemented till 30th September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)

No. of accounts restructured*	Amount (₹ in crores)**
1391	118.57

* accounts restructured are retail loans used for commercial purpose.

** represents the closing balance of loan accounts as on 31st March 2023

59 The Company is in the category of Upper Layer (NBFC-UL) as per the criteria defined by the Reserve Bank of India under Scale Based Regulations (SBR). The Company has put in place a Board approved policy and implemented the enhanced regulatory framework for adhering to new set of regulations under SBR framework.

60 As required under the Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013 which was effective from 1st April 2023, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate alternate control tools have been deployed to monitor the direct data changes effected at the data base level.

Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the company as per the statutory requirements for record retention.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

61 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13th March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

Year ended 31st March 2024

(₹ in Crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard	Stage 1	93,946.14	606.40	93,339.74	93,759.90	375.04	231.36
	Stage 2	5,159.73	590.25	4,569.48	3,983.02	16.37	573.88
Subtotal for standard		**99,105.87**	**1,196.65**	**97,909.22**	**97,742.92**	**391.41**	**805.24**
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,551.19	663.18	888.01	2,438.39	275.85	387.33
Doubtful - up to 1 year	Stage 3	1,103.85	705.90	397.95	1,490.90	693.73	12.17
1 to 3 years	Stage 3	669.62	669.62	-	672.81	493.54	176.08
More than 3 years	Stage 3	5.63	5.63	-	5.63	5.59	0.04
Subtotal for doubtful		**1,779.10**	**1,381.15**	**397.95**	**2,169.34**	**1,192.86**	**188.29**
Loss	Stage 3	160.61	160.61	-	246.12	246.12	(85.51)
Subtotal for NPA	Stage 3	3,490.90	2,204.94	1,285.96	4,853.85	1,714.83	490.11
Subtotal for Business Assets		**102,596.77**	**3,401.59**	**99,195.18**	**102,596.77**	**2,106.24**	**1,295.35**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	22.13	55.32	(33.18)	22.13	55.32	-
	Stage 2	2.28	0.05	2.23	2.28	0.05	-
	Stage 3	0.61	0.16	0.44	0.61	0.16	-
Subtotal		**25.02**	**55.53**	**(30.51)**	**25.02**	**55.53**	**-**
Total	**Stage 1**	**93,968.27**	**661.72**	**93,306.56**	**93,782.03**	**430.36**	**231.36**
	Stage 2	**5,162.01**	**590.30**	**4,571.71**	**3,985.30**	**16.42**	**573.88**
	Stage 3	**3,491.51**	**2,205.10**	**1,286.40**	**4,854.46**	**1,714.99**	**490.11**
Total		**102,621.79**	**3,457.12**	**99,164.67**	**102,621.79**	**2,161.77**	**1,295.35**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

Year ended 31st March 2023

(₹ in Crores)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard	Stage 1	74,124.59	614.10	73,510.49	73,995.70	350.49	263.61
	Stage 2	4,928.18	523.68	4,404.50	3,873.31	139.11	384.57
Subtotal for standard		**79,052.77**	**1,137.78**	**77,914.99**	**77,869.01**	**489.60**	**648.18**
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,569.72	583.87	985.85	2,687.04	293.35	290.52
Doubtful - up to 1 year	Stage 3	1,135.92	624.43	511.49	1,144.18	590.47	33.96
1 to 3 years	Stage 3	979.74	970.00	9.74	981.13	793.34	176.66
More than 3 years	Stage 3	6.70	6.70	-	6.86	6.56	0.14
Subtotal for doubtful		**2,122.36**	**1,601.13**	**521.23**	**2,132.17**	**1,390.36**	**210.77**
Loss	Stage 3	25.03	25.03	-	81.65	81.65	(56.62)
Subtotal for NPA		3,717.10	2,210.03	1,507.07	4,900.86	1,765.36	444.67
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	1.41	(1.41)	-	-	1.41
	Stage 2	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-
Subtotal		**-**	**1.41**	**(1.41)**	**-**	**-**	**1.41**
Total	Stage 1	**74,124.59**	**615.51**	**73,509.08**	**73,995.70**	**350.49**	**265.02**
	Stage 2	**4,928.18**	**523.68**	**4,404.50**	**3,873.31**	**139.11**	**384.57**
	Stage 3	**3,717.10**	**2,210.03**	**1,507.07**	**4,900.86**	**1,765.36**	**444.67**
Total		**82,769.87**	**3,349.22**	**79,420.65**	**82,769.87**	**2,254.96**	**1,094.26**

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31st March 2024 and 31st March 2023, no amount is required to be transferred to 'Impairment Reserve' for both the financial years. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

ii) As at 31st March 2024 and 31st March 2023, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

iii) Policy for sales / transfers out of amortized cost business model portfolios

Sale/ transfer of portfolios out of amortized cost business model:

As a short-term financing arrangement, the Company has been transferring or selling certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. As a part of annual budgetary planning and with the objective of better liquidity and risk management, the Company, at the beginning of the year, obtains approval of Asset Liability Committee and Risk Management Committee of the Board of Directors for undertaking securitization transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2024

These transactions are carried out after complying with RBI guidelines on securitization of standard assets. The consideration received through such securitization transactions is utilized for funding regular vehicle loan disbursements to customers who service their loans through fixed instalments over a specified period of loan tenor. Besides using securitization as alternate financing tool, it is also being used as a effective Balance Sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers.

When the assets in the form of loan receivables are sold / transferred to an SPV/Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows.

The Company remains exposed to credit risk, being the expected losses that will be incurred on the securitized loan portfolio to the extent of the credit enhancement provided. Any increase in losses as compared to the expected loss shall require the Company to present its credit enhancement / cash collateral to help compensate the investors. This is as per the requirement of the Reserve Bank of India. Thus, the Company as per Ind AS 109 has retained substantially all the risks and rewards of ownership of the financial asset.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Accordingly, these financial assets are not de-recognized by the Company from the financial statements prepared under Ind AS. Since the contractual terms of these financial assets give rise to cash flows, that are solely payments of principal and interest, on specified dates, these assets meet the SPPI criterion and are thus continued to be recognized in the books at amortized cost.

62 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

63 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 63

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4 May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4 May 2024

Independent Auditor's Report

To The Members of

Mahindra & Mahindra Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mahindra & Mahindra Financial Services Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit after tax and total comprehensive income of its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note 43 (ii) to the consolidated financial statements, which describes the impact of a fraud in respect of retail vehicle loans in one of the branches of the Company.

Our opinion is not modified in respect of this matter.

We draw attention to Note 44 to the consolidated financial statements, which describes that the Company may incur cost associated with incident which are currently indeterminable as at the date of this Report.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Allowances for Expected Credit Losses ("ECL"): As at 31st March 2024, the carrying value of loan assets measured at amortised cost, aggregated 1,06,343.96 crores (net of allowance of expected credit loss ₹ 3,681.86 crores) constituting approximately 86% of the Group's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Consolidated Financial Statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer Note 2.6, 2.11(h), 6 and 51.2 to the Consolidated Financial Statements).	Auditors of one subsidiary and we have examined the policies approved by the respective Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. Auditors of the subsidiary and we have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the respective Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the respective company's Board of Directors including the appropriateness of the qualitative factors to be applied; • completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and • accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic adjustment basis forward looking information. Test of details on a sample in respect of the following: • accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • the mathematical accuracy of the ECL computation by using the same input data as used by the Group. • completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in consolidated financial statements are appropriate and sufficient.
2.	Information Technology and General Controls: The Group is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	With the assistance of IT specialists, the auditors of a subsidiary company and we obtained an understanding of the Group's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • Auditors of one subsidiary and we tested the design, implementation and operating effectiveness of the Group's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Group's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • Auditors of a subsidiary and we also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility & Sustainability Report and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information") but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Consolidated Financial Statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries, joint ventures and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associate, is traced from their financial statements audited by the other auditors.

When we read the other information included in the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate and /joint ventures in accordance with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the Consolidated Financial Statements of which we are the independent auditors. For the entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹8,638.84 crores as at 31st March, 2024, total revenues of ₹1,358.18 crores and net cash inflows (net) amounting to ₹258.73 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

(b) Further the Financial Statements of subsidiary included in the Consolidated Financial Statements reflect total assets of ₹903.74 crores as at 31st March 2024, total revenues of ₹1,094.95 crores and net cash outflows amounting to ₹4.80 crores for the year ended 31st March, 2024 as considered in the Consolidated Financial Statements. These financial statements have been audited by Mukund M. Chitale & Co., one of the joint auditors of the Group whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above.

(c) The consolidated financial statements also include the Group's share of loss after tax of ₹13.67 crores and total comprehensive loss of ₹13.83 crores for the year ended 31st March, 2024, as considered in the consolidated financial statements, in respect of two joint ventures. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the report of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

(d) The consolidated financial statements also include the Group's share of profit after tax of ₹69.78 crores and total comprehensive income of ₹69.78 crores for the year ended 31st March, 2024, in respect of an associate, based on their financial statements which have not been audited by their auditors. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on "Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in i (vi) below.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies, and joint venture companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the Internal Financial Controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act. Based on auditor's report of respective subsidiary companies and joint ventures incorporated in India, the company has paid remuneration to its directors during the year in accordance with the provisions of Section 197 of the Act.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) During the year, the Parent Company, its subsidiary companies and joint venture companies incorporated in India, has regularly transferred the required amounts to the Investor Education and Protection Fund except for the delay in one instance reported by the Parent for transfer of ₹1,538 only. Refer to Note 17 of the Consolidated Financial Statement.

iv) (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts no funds(which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent/ Holding Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 22(ii) to the Consolidated Financial Statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing respective Annual General Meetings. The amount of proposed dividend is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and that performed by the respective auditors of subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, except for the instance mentioned below, the Parent, its subsidiary companies and joint venture companies incorporated in India have used accounting softwares for maintaining their respective books of account for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares except that in respect of Parent Company, audit trail feature was not enabled at the database level to log any direct data changes.

Further, during the course of audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting softwares for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies Auditor's Report Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/ Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Mukund M. Chitale & Co.	**For Deloitte Haskins & Sells**
Chartered Accountants	Chartered Accountants
(Firm's Registration No. 106655W)	(Firm's Registration No. 117365W)
M. M. Chitale	**Rupen K. Bhatt**
Partner	Partner
(Membership No. 14054)	(Membership No. 046930)
(UDIN: 24014054BKGTYR5418)	(UDIN: 24046930BKEZVM9428)
Place: Mumbai	Place: Mumbai
Date: 4th May 2024	Date: 4th May 2024

Annexure A

To The Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as at and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Mahindra & Mahindra Financial Services Limited (hereinafter referred to as "Parent") and its subsidiary companies, and joint ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies and joint ventures which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent its subsidiary companies, and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 5 subsidiary companies and 2 joint ventures, which are company incorporated in India, is based solely on the corresponding report of the auditors of such companies incorporated in India.

Further with respect to a subsidiary company included in the Consolidated Financial Statements, which is a company incorporated in India, have been audited by Mukund M. Chitale & Co., one of the joint auditors of the Group, whose reports have been furnished to us by the management and our opinion on the internal financial controls with reference to consolidated financial statements, in so far as it relates to the internal financial controls with reference to Financial Statements in respect of this subsidiary, is based solely on the report of the Mukund M. Chitale & Co.

Our opinion is not modified in respect of the above matters.

For Mukund M. Chitale & Co.
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 24014054BKGTYR5418)

Place: Mumbai
Date: 4th May 2024

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 24046930BKEZVM9428)

Place: Mumbai
Date: 4th May 2024

Consolidated Balance Sheet

as at 31st March 2024

(₹ in Crores)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	903.54	586.53
b) Bank balance other than (a) above	4	2,551.47	3,480.38
c) Receivables			
- Trade receivables	5	173.35	98.35
d) Loans	6	106,343.96	86,456.07
e) Investments			
i) Investments accounted using Equity Method	7 (i)	1,019.43	952.54
ii) Other investments	7 (ii)	8,579.03	9,110.59
f) Other financial assets	8	871.66	1,663.92
		120,442.44	**102,348.38**
Non-financial Assets			
a) Current tax assets (Net)		733.47	568.50
b) Deferred tax Assets (Net)	9 (i)	801.80	745.80
c) Property, plant and equipment	10	982.97	855.10
d) Intangible assets under development		105.44	2.64
e) Other intangible assets	11	24.99	15.50
f) Other non-financial assets	12	624.68	548.85
		3,273.35	**2,736.39**
Total Assets		**123,715.79**	**105,084.77**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	13	335.27	180.70
b) Payables	14		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		0.42	0.04
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,678.60	1,246.00
II) Other payables			
i) total outstanding dues of micro enterprises and small enterprises		2.80	2.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		61.71	37.35
c) Debt Securities	15	29,888.41	27,912.79
d) Borrowings (Other than Debt Securities)	16	56,789.54	44,154.40
e) Deposits	17	7,174.73	5,458.74
f) Subordinated Liabilities	18	4,466.45	3,902.63
g) Other financial liabilities	19	2,774.17	2,965.53
		103,172.10	**85,860.80**
Non-Financial Liabilities			
a) Current tax liabilities (Net)		128.60	74.15
b) Provisions	20	254.73	309.34
c) Other non-financial liabilities	21	185.50	139.04
		568.83	**522.53**
EQUITY	22		
a) Equity Share Capital		246.88	246.72
b) Other Equity		19,686.37	18,313.37
Equity attributable to owners of the Company		19,933.25	18,560.09
Non-controlling interests		41.61	141.35
		19,974.86	**18,701.44**
Total Liabilities and Equity		**123,715.79**	**105,084.77**
The accompanying notes form an integral part of the consolidated financial statements.	1 to 57		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4th May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4th May 2024

Consolidated Statement of Profit and Loss

for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Note	Year ended 31st March 2024	Year ended 31st March 2023
	REVENUE FROM OPERATIONS			
	i) Interest income	23	14,412.33	12,029.51
	ii) Dividend income		-	0.01
	iii) Rental income		115.46	72.68
	iv) Fees, charges and commission income	24	184.32	180.58
	v) Net gain on fair value changes	25	27.08	25.37
	vi) Sale of services	26	1,057.66	391.38
I	**Total revenue from operations**		**15,796.85**	**12,699.53**
II	Other income	27	173.47	132.87
III	**Total income (I+II)**		**15,970.32**	**12,832.40**
	EXPENSES			
	i) Finance costs	28	6,959.20	5,094.30
	ii) Fees and commission expense		867.84	285.26
	iii) Impairment on financial instruments	29	1,955.75	1,182.59
	iv) Employee benefits expenses	30	2,261.44	2,115.33
	v) Depreciation, amortization and impairment	31	274.85	225.96
	vi) Others expenses	32	1,119.17	1,112.46
IV	**Total expenses**		**13,438.25**	**10,015.90**
V	**Profit before exceptional items, share of profit of associate and joint venture and tax (III-IV)**		**2,532.07**	**2,816.50**
VI	Exceptional items	33	-	(56.06)
VII	Share of Profit of Associate and Joint Venture		56.11	43.32
VIII	**Profit before tax (V +VI + VII)**		2,588.18	2,803.76
IX	**TAX EXPENSE :**	9 (ii)		
	i) Current tax		716.10	498.15
	ii) Deferred tax		(70.97)	234.41
			645.13	**732.56**
X	**Profit for the year (VIII-IX)**		**1,943.05**	**2,071.20**
XI	**Other Comprehensive Income (OCI)**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement gain / (loss) on defined benefit plans		(8.81)	(17.94)
	- Net gain / (loss) on equity instruments through OCI		-	-
	- Share of other comprehensive income / (loss) of equity accounted investees		(0.15)	0.04
	(ii) Income tax impact thereon	9 (iii)	2.23	4.51
	Subtotal (A)		**(6.73)**	**(13.39)**
	(B) (i) Items that will be reclassified to profit or loss			
	- Exchange differences in translating the financial statements of foreign operations		8.13	(2.44)
	- Net gain / (loss) on debt instruments through OCI		71.98	(90.76)
	- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(3.38)	(6.34)
	- Share of other comprehensive income / (loss) of equity accounted investees		10.93	53.79
	(ii) Income tax impact thereon	9 (iii)	(17.26)	24.44
	Subtotal (B)		**70.40**	**(21.32)**
	Other Comprehensive Income (A + B)		**63.67**	**(34.71)**
XII	**Total Comprehensive Income for the year (X + XI)**		**2,006.72**	**2,036.49**
	Profit for the year attributable to:			
	Owners of the Company		1,932.69	2,072.40
	Non-controlling interests		10.36	(1.20)
			1,943.05	**2,071.20**
	Other Comprehensive Income for the year attributable to:			
	Owners of the Company		60.26	(33.63)
	Non-controlling interests		3.41	(1.08)
			63.67	**(34.71)**
	Total Comprehensive Income for the year attributable to:			
	Owners of the Company		1,992.95	2,038.77
	Non-controlling interests		13.77	(2.28)
			2,006.72	**2,036.49**
XIII	**Earnings per equity share (face value ₹ 2/- per equity share)**	34		
	Basic (Rupees)		15.66	16.81
	Diluted (Rupees)		15.65	16.79
	The accompanying notes form an integral part of the consolidated financial statements.	1 to 57		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4th May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4th May 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1st April 2022	**246.60**
Changes due to prior period errors	-
Restated balance as at 1st April 2022	246.60
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.12
Balance as at 31st March 2023	**246.72**
Balance as at 1st April 2023	**246.72**
Changes due to prior period errors	-
Restated balance as at 1st April 2023	246.72
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.16
Balance as at 31st March 2024	**246.88**

B. OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus						Item of Other Comprehensive Income				Total Other Equity	Non-controlling Interests	Total
	Statutory reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings or Profit & loss account	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Effective portion of cash flow hedge	Foreign Currency Translation Reserve			
Balance as at 1st April 2022	**2,425.29**	**50.00**	**7,157.29**	**813.29**	**43.04**	**6,146.97**	**(57.94)**	**21.47**	**-**	**50.31**	**16,649.71**	**141.46**	**16,791.17**
Changes in accounting policy/ prior period errors											-		-
Restated balance as at 1st April 2022											-		-
Profit for the year						2,072.40	-	-	-	-	2,072.40	(1.20)	2,071.20
Other Comprehensive Income						(13.35)	(67.90)	-	(4.74)	52.36	(33.63)	(1.08)	(34.71)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**2,059.05**	**(67.90)**	**-**	**(4.74)**	**52.36**	**2,038.77**	**(2.28)**	**2,036.49**
Dividend paid on equity shares (including tax thereon)						(443.87)					(443.87)	(1.03)	(444.90)
Transfers to Securities premium on exercise of employee stock options			11.48		(11.48)						-		-
Securities premium on shares allotted to ESOP Trust through Rights Issue			1.58								1.58		1.58
Employee stock options expired				0.54	(0.54)						-		-
Share based payment expense					9.17						9.17		9.17
Transfers to Statutory reserves	402.81					(402.86)					(0.05)	0.05	(0.00)
Changes in Group's Interest						(1.35)					(1.35)	3.15	1.80
Gross obligation at fair value to acquire non-controlling interest						59.41					59.41		59.41
Balance as at 31st March 2023	**2,828.10**	**50.00**	**7,170.35**	**813.83**	**40.19**	**7,417.35**	**(125.84)**	**21.47**	**(4.74)**	**102.67**	**18,313.37**	**141.35**	**18,454.72**

B. OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus						Item of Other Comprehensive Income				Total Other Equity	Non-controlling Interests	Total
	Statutory reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings or Profit & loss account	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Effective portion of cash flow hedge	Foreign Currency Translation Reserve			
Balance as at 1st April 2023	**2,828.10**	**50.00**	**7,170.35**	**813.83**	**40.19**	**7,417.35**	**(125.84)**	**21.47**	**(4.74)**	**102.67**	**18,313.37**	**141.35**	**18,454.72**
Changes in accounting policy/ prior period errors											-		-
Restated balance as at 1st April 2023											-		-
Profit for the year						1,932.69	-	-	-	-	1,932.69	10.36	1,943.05
Other Comprehensive Income						(6.71)	53.85	-	(2.54)	15.66	60.26	3.41	63.67
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**1,925.98**	**53.85**	**-**	**(2.54)**	**15.66**	**1,992.95**	**13.77**	**2,006.72**
Dividend paid on equity shares (including tax thereon)						(740.23)					(740.23)	-	(740.23)
Transfers to Securities premium on exercise of employee stock options			1.94		-						1.94		1.94
Securities premium on shares allotted to ESOP Trust through Rights Issue			13.77		(13.77)						-		-
Employee stock options expired				0.25	(0.25)						-		-
Share based payment expense					4.28						4.28		4.28
Transfers to Statutory reserves	352.87					(352.94)					(0.07)	-	(0.07)
Changes in Group's Interest						114.13					114.13	(113.51)	0.62
Gross obligation at fair value to acquire non-controlling interest						-					-		-
Balance as at 31st March 2024	**3,180.97**	**50.00**	**7,186.06**	**814.08**	**30.45**	**8,364.29**	**(71.99)**	**21.47**	**(7.28)**	**118.33**	**19,686.37**	**41.61**	**19,727.98**

The accompanying notes 1 to 57 form an integral part of the consolidated financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4th May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4th May 2024

Consolidated Statement of Cash Flows

for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	2,532.07	2,816.50
	Adjustments for:		
	Depreciation, amortization and impairment	274.85	225.96
	Impairment on financial instruments (excluding bad debts and write offs)	305.60	(979.77)
	Bad debts and write offs	1,714.89	2,213.36
	Interest expense	6,934.79	5,082.95
	Interest income from loans	(13,573.21)	(11,252.97)
	Interest income from other deposits with banks	(266.11)	(210.08)
	Net (Gain) / loss on fair value of derivative financial instruments	11.05	(2.68)
	Unrealized foreign exchange gain/loss	(76.49)	(96.85)
	Share based payments to employees	5.90	10.00
	Net (Gain)/loss on fair value changes	(3.59)	26.74
	Interest income on investments	(552.06)	(617.60)
	Dividend income	-	-
	Net gain on derecognition of property, plant and equipment	(6.97)	(3.30)
	Net (gain) / loss on sale of investments	0.86	(4.89)
	Operating profit / (loss) before working capital changes	**(2,698.42)**	**(2,792.62)**
	Adjustments for changes in working capital -		
	Loans	(22,370.62)	(21,090.47)
	Trade receivables	(71.41)	(22.15)
	Other financial assets	(0.75)	(147.82)
	Other financial liabilities	37.39	31.73
	Other non-financial assets	(217.23)	(113.33)
	Trade Payables	415.23	131.94
	Other non-financial liabilities	72.52	(1.05)
	Derivative financial instruments	145.10	35.88
	Provisions	(61.06)	24.31
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(24,749.25)**	**(23,943.58)**
	Interest paid	(6,925.23)	(5,201.64)
	Interest received from loans	14,052.60	12,283.67
	Cash generated from / (used in) operations	**(17,621.88)**	**(16,861.55)**
	Income taxes paid (net of refunds)	(826.67)	(533.76)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(18,448.55)**	**(17,395.31)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(323.30)	(413.29)
	Proceeds from sale of Property, plant and equipment	52.78	14.75
	Purchase of investments measured at amortized cost	(3,230.91)	(2,165.66)
	Proceeds from sale of investments measured at amortized cost	3,464.70	2,591.30
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	(124.98)	-
	Purchase of investments measured at FVOCI	(167.41)	(915.95)
	Proceeds from sale of investments measured at FVOCI	445.26	345.34
	Purchase of investments measured at FVTPL	(3,691.29)	(4,458.69)
	Proceeds from sale of investments measured at FVTPL	3,933.38	3,248.45
	Purchase of shares in a subsidiary company	(206.39)	-
	Proceeds from / (Investments in) term deposits with banks (net)	1,770.78	(671.02)
	Dividend income received	-	-
	Interest received from other deposits with banks	219.11	223.93
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	528.52	565.49
	Change in Earmarked balances with banks	0.03	(0.02)
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**2,670.28**	**(1,635.37)**

Consolidated Statement of Cash Flows

for the year ended 31st March 2024

(₹ in Crores)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	19,552.48	17,076.95
	Repayment of borrowings through Debt Securities	(17,580.68)	(10,760.95)
	Proceeds from Borrowings (Other than Debt Securities)	36,804.26	35,257.97
	Repayment of Borrowings (Other than Debt Securities)	(23,934.92)	(19,830.17)
	Proceeds from borrowings through Subordinated Liabilities	700.00	380.00
	Repayment of borrowings through Subordinated Liabilities	(140.15)	(70.01)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	(169.97)	169.97
	Increase / (decrease) in Public deposits (net)	1,708.98	(2,859.08)
	Payments for principal portion of lease liability	(105.22)	(68.72)
	Dividend paid	(739.88)	(443.99)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**16,094.90**	**18,851.96**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**316.63**	**(178.72)**
	Cash and Cash Equivalents at the beginning of the year	**586.53**	**765.18**
	Cash and Cash Equivalents balance on the date of acquisition of subsidiary company	**-**	**0.07**
	Unrealised gain/(loss) on foreign currency cash and cash equivalents	**0.38**	**-**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	**903.54**	**586.53**
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	65.35	45.51
	- Cheques and drafts on hand	27.92	17.65
	- Balances with banks in current accounts	262.89	243.87
	- Term deposits with original maturity up to 3 months	547.38	279.50
	Total	**903.54**	**586.53**

Note :

1) The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

2) Purchase of Property, plant and equipment and intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4th May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date: 4th May 2024

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1 January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India. The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited. The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance and basis for preparation and presentation of financial statements

The consolidated financial statements of Mahindra & Mahindra Financial Services Limited ('the Parent') and its subsidiaries ('the Group') and its associates and joint ventures have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

Any application guidance / clarifications / directions / expectations issued by RBI or other regulators are implemented as and when they are issued / applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on 4th May 2024.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, associates and joint ventures.

Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interests and the non-controlling interests ("NCI") are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Associates

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. Investment in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

2.5 Measurement of fair values

The Group's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.6 Use of estimates and judgments and Estimation uncertainty

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities.

Effective Interest Rate (EIR) Method

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

It has been the Group's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 51).

Provisions and contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the amounts pertaining to litigations and the regulatory proceedings in the ordinary course of the Group's business are disclosed as contingent liabilities.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Provision for income tax and deferred tax assets:

The Group uses estimates and judgments based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid/ recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilised. Accordingly, the Group exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Going Concern

The financial statements of the Group are prepared on a going concern basis for the year ended 31st March 2024.

The Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.7 Revenue recognition :

a) Recognition of interest income

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Group calculates interest income related to financing business by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Group recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation. Interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest income from on investments is recognised when it is certain that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Recognition of interest income on securitized loans

The Parent company securitizes certain pools of loan receivables in accordance with applicable RBI guidelines. The Parent Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Parent Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Parent Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Parent Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Parent Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Parent Company reverts to calculating interest income on a gross basis (amortised cost).

c) Subvention income

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost. In case of subvention income which

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognised in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognised over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Income from finance lease

The income earned on finance lease are recognised in the Statement of profit and loss account based on pattern reflecting constant periodic return on the groups's net investment in lease. The fees / charges received towards fleet management services rendered to customers is recognized over the lease term.

f) Fees, charges and commission income :

The Group recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss on an accrual basis when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transfered assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitization transaction.

g) Sale of services:

Income from insurance broking business services is recognised net of Goods and Service Tax (GST) amount on rendering of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier. The revenue from rendering of consultancy services is recognised in proportion to the stage of completion of the transaction at the reporting date.

2.8 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured. Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under Other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 to 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -

Assets costing less than ₹5000/- are fully depreciated in the period of purchase.

Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.9 a) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their amortization period. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development". An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

b) Intangible assets under development:

The Group, initially recognizes intangible asset under development at cost during the development phase based on the management's judgement that technological and economic feasibility is confirmed. Upon completion of the development phase, the amount is capitalized as intangible asset.

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2.10 Foreign exchange transactions and translations :

a) Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Statement of profit and loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments :

a) Initial Recognition -

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and subsequent measurement -

- Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments -

The Group measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Group elects to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group are recognised at the proceeds

Notes forming part of the Consolidated Financial Statements

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received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115-Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

g) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Group recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information (refer note 51).

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, microeconomic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

The Group recognises lifetime ECL for trade advances, lease and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the respective businesses of the Group's

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historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when we modify the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Group's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

h) Collateral repossessed -

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Group does not physically repossess assets/properties or other assets in its retail portfolio, but engages external agents to recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not recorded on the balance sheet.

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i) Write offs -

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off as per the Group's policy. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to Provident Fund and ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which an entity pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Group's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss.

c) Gratuity -

The Group's liability towards gratuity schemes is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest

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income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

d) Leave encashment / compensated absences / sick leave -

The Group provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

Compensation cost on Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock option at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.13 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost - bank term loans, associated liabilities in respect of securitisation transactions, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Group's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws)

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that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extant that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extant that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable. When some or all economic benefits required to settle a provision are expected to be recovered from third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

2.16 Gross obligation value of written put options to Non-controlling Interest (NCI) :

For the written put options held by the Group for acquiring remaining interest in its subsidiary, gross obligation is recognised by debit to Other Equity for the expected amount payable in case of exercise of the put by the NCI.

2.17 Leases :

Where the Group is the lessee -

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for

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a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Group's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in property, plant and equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Group is the lessor -

At the inception of the lease, the Group classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognised immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss;

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no.42.

2.18 New standards or amendments to the existing standards and other pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on 31st March 2024, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

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3 Cash and cash equivalents

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Cash on hand	65.35	45.51
Cheques and drafts on hand	27.92	17.65
Balances with banks in current accounts	262.89	234.87
Term deposits with original maturity up to 3 months	547.38	288.50
	903.54	**586.53**

4 Bank balances other than cash and cash equivalents

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.57	0.60
Term deposits with maturity less than 12 months -	9.72	11.04
- Free	1,930.31	3,119.47
- Under lien #	475.75	243.01
Interest accrued on Term deposits	135.12	106.26
	2,551.47	**3,480.38**

#Details of Term deposits - Under lien

(₹ in Crores)

Particulars	As at 31st March 2024			As at 31st March 2023		
	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 8)	Total	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 8)	Total
For Statutory Liquidity Ratio	-		-	100.00		100.00
For securitization transactions	444.23	-	444.23	120.28	2.47	122.75
Legal deposits	0.21	0.60	0.81	0.21	0.60	0.81
For towards Constituent Subsidiary General Ledger (CSGL) account	30.90	-	30.90	20.90	10.00	30.90
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	0.41	1.25	1.66	1.62		1.62
Total	**475.75**	**1.85**	**477.60**	**243.01**	**13.07**	**256.08**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

5 Receivables

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Trade receivables		
i) Secured, considered good		
- Lease rental receivable on operating lease transactions	22.22	11.37
Less : Impairment loss allowance	(5.46)	(9.19)
	16.76	**2.18**
ii) Unsecured, considered good :		
- Subvention and other income receivables	153.30	96.17
iii) Credit impaired :		
Trade receivable outstanding for less than six months		
- Subvention and other income receivables	3.29	0.80
	3.29	**0.80**
Less : Impairment loss allowance	-	(0.80)
	3.29	**-**
	173.35	**98.35**

There is no due by directors or other officers of the company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at 31st March 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables -						
- considered good	167.39	-	-	-	-	167.39
- which have significant increase in credit risk	10.65	-	-	-	-	10.65
- credit impaired	0.77	-	-	-	-	0.77
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**178.81**	**-**	**-**	**-**	**-**	**178.81**

There is neither an instance where due date is not specified nor unbilled due.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

As at 31st March 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables -						
- considered good	91.97	3.50	0.15	1.36	-	96.98
- which have significant increase in credit risk	1.68	-	-	-	-	1.68
- credit impaired	2.57	0.67	0.60	0.25	3.28	7.37
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	0.93	0.93	0.45	-	-	2.31
- credit impaired	-	-	-	-	-	-
Total	**97.14**	**5.09**	**1.20**	**1.62**	**3.28**	**108.34**

6 Loans

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
A) Loans (at amortized cost) :		
Retail loans	94,410.63	75,687.27
Small and Medium Enterprise (SME) financing	3,757.67	3,481.07
Loans under housing finance business	7,209.08	7,199.93
Bills of exchange	1,054.74	975.61
Trade Advances	2,879.10	2,540.42
Finance lease	714.52	220.95
Other loans and advances	0.08	0.11
Total (Gross)	**110,025.82**	**90,105.36**
Less : Impairment loss allowance	(3,681.86)	(3,649.29)
Total (Net)	**106,343.96**	**86,456.07**
B) i) Secured by tangible assets	104,851.22	85,147.11
ii) Secured by intangible assets	-	-
iii) Covered by bank / Government guarantees	133.36	319.16
iv) Unsecured	5,041.24	4,639.09
Total (Gross)	**110,025.82**	**90,105.36**
Less : Impairment loss allowance	(3,681.86)	(3,649.29)
Total (Net)	**106,343.96**	**86,456.07**
C) i) Loans in India		
a) Public Sector	-	-
b) Others	109,784.19	89,920.85
Total (Gross)	**109,784.19**	**89,920.85**
Less : Impairment loss allowance	(3,677.37)	(3,642.52)
Total (Net) - C (i)	**106,106.82**	**86,278.34**
ii) Loans outside India	241.64	184.51
Less : Impairment loss allowance	(4.49)	(6.77)
Total (Net) - C (ii)	**237.15**	**177.73**
Total (Net) - C (i+ii)	**106,343.96**	**86,456.07**

Notes:

- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

- Refer note no. 51 for information related to stage-wise classification of loan assets and ECL movement.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

7 Investments

i) Investments accounted using Equity Method

(₹ in Crores)

	31st March 2024 At cost	31st March 2023 At cost
Equity instruments of associate -		
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)	805.91	725.20
Equity instruments of joint venture -		
Mahindra Manulife Investment Management Private Ltd.	212.31	226.37
Mahindra Manulife Trustee Private Ltd.	1.21	0.97
Total - Gross (A)	**1,019.43**	**952.54**
i) Investments outside India	805.91	725.20
ii) Investments in India	213.52	227.34
Total - Gross	**1,019.43**	**952.54**
Less : Allowance for Impairment loss (B)	-	-
Total - Net C (A - B)	**1,019.43**	**952.54**

ii) Other investments

(₹ in Crores)

	31st March 2024						31st March 2023					
	Amortized cost	At Fair Value			Others (at cost)	Total	Amortized cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
Units of mutual funds		-	237.34	237.34	-	237.34	-	-	220.87	220.87	-	220.87
Government securities	1,266.12	4,591.05	-	4,591.05		5,857.17	1,274.51	4,886.53		4,886.53		6,161.04
Debt securities -				-		-						
i) Investment in Bonds	25.84	-	-	-	-	25.84	25.97	-	-	-	-	25.97
ii) Investments in Pass Through Certificates under securitization transactions	-	-	-	-	-	-	123.42	-	-	-	-	123.42
iii) Commercial Papers	-		757.41	757.41	-	757.41	-	-	94.12	94.12	-	94.12
iv) Certificate of deposits with banks	-	-	967.73	967.73	-	967.73	-		1,973.02	1,973.02	-	1,973.02
v) Investment in Bonds of Food Corporation of India and NCDs of NABARD	-	453.34	-	453.34	-	453.34		351.43	-	351.43	-	351.43
vi) Investment in Triparty Repo Dealing System (TREPS)	124.98			-		124.98	-			-	-	-
vii) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)		1.59		1.59		1.59		1.59		1.59		1.59
Equity instruments of other entities -												

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

7 Investments

(₹ in Crores)

	31st March 2024						31st March 2023					
	Amortized cost	At Fair Value			Others (at cost)	Total	Amortized cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
i) Equity investment in Smartshift Logistics Solutions Private Limited (formerly known as Orizonte Business Solutions Limited which was later acquired by Resfeber Labs Private Limited)	-	35.25	-	35.25	-	35.25	-	35.25	-	35.25	-	35.25
ii) New Democratic Electoral Trust	-	-	-	-	0.02	0.02			-	-	0.02	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-		0.22	0.22		0.22			0.06	0.06		0.06
Others -												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited		7.15	-	7.15	-	7.15	-	7.15	-	7.15	-	7.15
ii) Interest accrued on Government securities	21.20	77.96		77.96		99.16	22.33	85.99	-	85.99	-	108.32
iii) Interest accrued on Bonds	0.06	11.77		11.77		11.83	0.06	8.86	-	8.86	-	8.92
iv) Interest accrued on Pass Through Certificates under securitization transactions	-			-		-	0.39	-	-	-	-	0.39
Total - Gross (A)	**1,438.20**	**5,178.11**	**1,962.70**	**7,140.81**	**0.02**	**8,579.03**	**1,446.68**	**5,376.80**	**2,288.07**	**7,664.87**	**0.02**	**9,111.57**
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	1,438.20	5,178.11	1,962.70	7,140.81	0.02	8,579.03	1,446.68	5,376.80	2,288.07	7,664.87	0.02	9,111.57
Total - Gross	**1,438.20**	**5,178.11**	**1,962.70**	**7,140.81**	**0.02**	**8,579.03**	**1,446.68**	**5,376.80**	**2,288.07**	**7,664.87**	**0.02**	**9,111.57**
Less : Allowance for Impairment loss (B)	-	-	-	-	-	-	0.98	-	-	-	-	0.98
Total - Net C (A-B)	**1,438.20**	**5,178.11**	**1,962.70**	**7,140.81**	**0.02**	**8,579.03**	**1,445.70**	**5,376.80**	**2,288.07**	**7,664.87**	**0.02**	**9,110.59**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

8 Other financial assets

(₹ in Crores)

	31st March 2024	31st March 2023
Security Deposits	90.02	73.04
Term deposits with banks (remaining maturity more than 12 months)		
- Free	584.81	1,385.53
- Under lien (refer note 4)	1.85	13.07
Interest accrued on Term deposits	31.82	9.81
Others #	163.16	182.47
	871.66	**1,663.92**

includes receivables related to insurance claims, lease re-imbursements and online payments

9 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

(₹ in Crores)

Particulars	Balance as at 1st April 2022	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at 31st March 2023	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at 31st March 2024
Tax effect of items constituting deferred tax liabilities :									
- Share based payments	(0.40)	(4.35)	-	-	(4.75)	(1.67)	-	-	(6.42)
- Application of EIR on financial assets & liabilities	(76.80)	8.61	-	-	(68.19)	(14.01)	-	-	(82.20)
- FVTPL financial asset	(16.24)	11.95		(0.49)	(4.78)	(0.93)		(0.35)	(6.06)
- Others #	(126.66)	(0.05)	0.45	-	(126.26)	43.95	0.08	-	(82.23)
	(220.10)	**16.16**	**0.45**	**(0.49)**	**(203.98)**	**27.34**	**0.08**	**(0.35)**	**(176.91)**
Tax effect of items constituting deferred tax assets :									
- Provision for employee benefits	27.33	1.59	-	4.53	33.45	(0.21)	-	2.23	35.47
- Derivatives	52.24	(0.28)	-	-	51.96	(3.05)	-	-	48.91
- Allowance for ECL	932.24	(320.21)	-	22.35	634.38	34.97	-	(17.76)	651.59
- Provision on standard assets	152.92	0.61	-	-	153.53	(16.00)	-	-	137.53
- Other provisions	6.64	67.72	-	2.10	76.46	27.92	-	0.83	105.21
	1,171.37	**(250.57)**	**-**	**28.98**	**949.78**	**43.63**	**-**	**(14.70)**	**978.71**
Net deferred tax assets	**951.27**	**(234.41)**	**0.45**	**28.49**	**745.80**	**70.97**	**0.08**	**(15.05)**	**801.80**

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognized in Statement of profit and loss

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Current tax:		
In respect of current year	717.73	495.68
In respect of prior years	(1.63)	2.47
	716.10	**498.15**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(70.97)	234.51
In respect of rate change (Re-measurement of opening deferred tax assets due to income tax rate change)	-	(0.10)
	(70.97)	**234.41**
Total Income tax recognised in Statement of profit and loss	**645.13**	**732.56**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(iii) Income tax recognized in Other Comprehensive Income

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Income tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	2.23	4.51
Net gain / (loss) on equity instruments through OCI	-	-
Net gain / (loss) on debt instruments through OCI	(16.91)	22.84
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(0.35)	1.60
Total Income tax recognised in Other Comprehensive Income	**(15.03)**	**28.95**

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Profit before tax	2,532.07	2,760.44
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	637.27	694.75
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	(0.73)	(1.04)
Effect of expenses / provisions not deductible in determining taxable profit	12.32	32.19
Effect of tax incentives and concessions	(8.25)	(2.83)
Effect of differential tax rate	0.76	0.88
Adjustment related to tax of prior years	(1.63)	2.46
Tax not recognised	-	3.38
Others	5.39	2.77
Reported income tax expense	**645.13**	**732.56**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

10 Property, plant and equipments

(₹ in Crores)

Particulars	Land (Freehold)	Buildings #	Building - Leasehold	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT												
Balance as at 1st April 2022	0.81	1.32	2.15	158.10	105.24	97.86	116.58	147.14	0.19	629.39	349.83	979.22
Additions during the year	-	-	-	43.49	13.16	15.67	48.12	187.06	-	307.50	317.81	625.31
Foreign exchange translation differences				(0.01)	(0.08)	(0.04)	(0.03)			(0.16)	(0.23)	(0.39)
Additions through business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / deductions during the year	-	-	-	34.42	5.54	14.57	22.84	10.38	-	87.75	34.65	122.40
Balance as at 31st March 2023	**0.81**	**1.32**	**2.15**	**167.16**	**112.78**	**98.92**	**141.83**	**323.82**	**0.19**	**848.98**	**632.76**	**1,481.74**
Balance as at 1st April 2023	**0.81**	**1.32**	**2.15**	**167.16**	**112.78**	**98.92**	**141.83**	**323.82**	**0.19**	**848.98**	**632.76**	**1,481.74**
Additions during the year	-	-	1.97	37.93	27.43	16.41	46.24	207.21	-	337.19	104.04	441.23
Foreign exchange translation differences	-	-	-	0.08	0.44	0.26	0.10	-	-	0.88	0.88	1.76
Additions through business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / deductions during the year	-	-	-	27.00	8.85	9.86	33.89	70.53	0.06	150.19	56.43	206.62
Balance as at 31st March 2024	**0.81**	**1.32**	**4.12**	**178.17**	**131.80**	**105.73**	**154.28**	**460.50**	**0.13**	**1,036.86**	**681.25**	**1,718.11**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
Balance as at 1st April 2022	-	0.34	0.85	110.24	80.36	77.84	73.41	38.94	0.13	382.11	136.04	518.15
Additions during the year	-	0.02	0.50	30.83	8.70	10.94	22.17	50.20	-	123.36	89.58	212.94
Foreign exchange translation differences	-	-	-	(0.01)	-	(0.03)	-	-	(0.06)	(0.10)	(0.06)	(0.16)
Disposals / deductions during the year	-	-	-	34.35	5.10	14.30	19.85	2.35	-	75.95	28.34	104.29
Balance as at 31st March 2023	**-**	**0.36**	**1.35**	**106.71**	**83.96**	**74.45**	**75.73**	**86.79**	**0.07**	**429.42**	**197.22**	**626.64**
Balance as at 1st April 2023	**-**	**0.36**	**1.35**	**106.71**	**83.96**	**74.45**	**75.73**	**86.79**	**0.07**	**429.42**	**197.22**	**626.64**
Additions during the year	-	0.03	0.92	37.43	9.77	10.90	27.16	75.14	-	161.35	99.65	261.00
Foreign exchange translation differences	-	-	-	(0.01)	(0.17)	(0.10)	(0.01)	-	-	(0.29)	(0.29)	(0.58)
Disposals / deductions during the year	-	-	-	26.85	8.08	9.53	26.00	30.93	0.05	101.44	50.48	151.92
Balance as at 31st March 2024	**-**	**0.39**	**2.27**	**117.28**	**85.48**	**75.72**	**76.88**	**131.00**	**0.02**	**489.04**	**246.10**	**735.14**
NET CARRYING AMOUNT												
As at 31st March 2023	**0.81**	**0.96**	**0.80**	**60.45**	**28.82**	**24.47**	**66.10**	**237.03**	**0.12**	**419.56**	**435.54**	**855.10**
As at 31st March 2024	**0.81**	**0.93**	**1.85**	**60.89**	**46.32**	**30.01**	**77.40**	**329.50**	**0.11**	**547.82**	**435.15**	**982.97**

Secured Non-convertible debentures (NCDs) have an exclusive *pari-passu* charges on Buildings.

There is no immovable property where title deed of such immovable property is not held in name of the Group or jointly held with others.

The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

11 Other Intangible assets

(₹ in Crores)

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1st April 2022	109.07
Additions during the year	17.73
Foreign exchange translation differences	(0.02)
Additions through business combinations	-
Deductions during the year	-
Balance as at 31st March 2023	**126.78**
Balance as at 1st April 2023	126.78
Additions during the year	23.34
Foreign exchange translation differences	0.07
Additions through business combinations	-
Deductions during the year	0.82
Balance as at 31st March 2024	**149.37**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1st April 2022	98.26
Additions during the year	13.02
Foreign exchange translation differences	-
Deductions during the year	-
Balance as at 31st March 2023	**111.28**
Balance as at 1st April 2023	111.28
Additions during the year	13.85
Foreign exchange translation differences	-
Deductions during the year	0.75
Balance as at 31st March 2024	**124.38**
NET CARRYING AMOUNT	
As at 31st March 2023	**15.50**
As at 31st March 2024	**24.99**

The Group has not revalued its Intangible Assets.

Intangible Assets Under Development Aging schedule

As at 31st March 2024

(₹ in Crores)

Ageing	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.28	0.16	-	-	105.44
Project temporarily suspended	-	-	-	-	-
Total	**105.28**	**0.16**	**-**	**-**	**105.44**

As at 31st March 2023

(₹ in Crores)

Ageing	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	0.79	1.43	-	0.42	2.64
Project temporarily suspended	-	-	-	-	-
Total	**0.79**	**1.43**	**-**	**0.42**	**2.64**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

12 Other non-financial assets

(₹ in Crores)

	31st March 2024	31st March 2023
Capital advances	85.36	224.45
Prepaid expenses	87.40	73.92
Balances with Government Authorities	413.28	228.02
Unamortised placement and arrangement fees paid on borrowing instruments	0.16	0.01
Insurance advances	17.42	11.19
Other advances	21.06	11.26
	624.68	**548.85**

13 Derivative financial instruments

(₹ in Crores)

Particulars	31st March 2024		31st March 2023	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives Unhedged:				
Forward contracts	-	-	-	-
Currency swaps/Options	709.00	154.30	1,063.50	144.83
Total (A)	**709.00**	**154.30**	**1,063.50**	**144.83**
Currency / interest rate derivatives Hedged:				
Forward contracts	835.52	177.40	839.91	16.92
Currency swaps/Options	827.70	3.57	827.70	18.95
Total (B)	**1,663.22**	**180.97**	**1,667.61**	**35.87**
Total derivative financial instruments (A+B)	**2,372.22**	**335.27**	**2,731.11**	**180.70**

Movement in Cash Flow Hedge Reserve

(₹ in Crores)

	31st March 2024	31st March 2023
Balance at the beginning of the year	(4.74)	-
Recognised on Cash Flow Hedge Reserve	(3.39)	(6.34)
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	0.85	1.60
	(7.28)	**(4.74)**

14 Payables

(₹ in Crores)

	31st March 2024	31st March 2023
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	0.42	0.04
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,678.60	1,246.00
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	2.80	2.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	61.71	37.35
	1,743.53	**1,286.01**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

(₹ in Crores)

		31st March 2024	31st March 2023
a)	Dues remaining unpaid to any supplier at the year end		
	- Principal	3.22	2.66
	- Interest on the above	-	-
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	2.69	12.03
	- Interest paid in terms of Section 16 of the MSMED Act	0.05	0.21
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d)	Amount of interest accrued and remaining unpaid		
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises		

Trade Payables aging schedule

As at 31st March 2024

(₹ in Crores)

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	MSME	3.22	-	-	-	3.22
ii)	Others	1,693.49	23.13	7.95	15.74	1,740.31
	Total	**1,696.71**	**23.13**	**7.95**	**15.74**	**1,743.53**
	Disputed dues -					
	- MSME	-	-	-	-	-
	- Others	-	-	-	0.00	0.00

There is neither an instance where due date is not specified nor there is any unbilled due.

As at 31st March 2023

(₹ in Crores)

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	MSME	2.66	-	-	-	2.66
ii)	Others	1,212.05	18.03	8.20	45.07	1,283.35
	Total	**1,214.70**	**18.03**	**8.20**	**45.07**	**1,286.01**
	Disputed dues -					
	- MSME	-	-	-	-	-
	- Others	-	-	-	0.59	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

15 Debt Securities

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost		
Non-convertible debentures (Secured)	22,350.79	20,985.63
Non-convertible debentures (Unsecured)	2,469.47	2,641.36
Commercial Papers (Unsecured)	5,068.15	3,936.00
Rupee Denominated Secured Bonds overseas (Masala Bonds)	-	349.80
Total	**29,888.41**	**27,912.79**
Debt securities in India	29,888.41	27,562.99
Debt securities outside India	-	349.80
Total	**29,888.41**	**27,912.79**

Note: There is no debt security measured at FVTPL or designated at FVTPL.

The Secured Non-convertible debentures are secured by paripassu charges on office premises, PPE, book debts and exclusive charges on receivables under loan contracts to the extent of 100% of outstanding secured debentures.

Details of Non-convertible debentures (Secured) :

(₹ in Crores)

From the Balance Sheet date		As at 31st March 2024		As at 31st March 2023	
		Interest rate range	Amount	Interest rate range	Amount
A)	**Issued on private placement basis (wholesale) -**				
	Repayable on maturity :				
	Maturing within 1 year	7.45%-8.95%	4,529.50	5.25%-9.25%	4,664.70
	Maturing between 1 year to 3 years	6.25%-9.00%	10,533.50	6.25%-9.00%	8,778.00
	Maturing between 3 years to 5 years	7.90%-8.25%	1,039.45	7.90%-8.25%	762.25
	Maturing beyond 5 years	7.45%-8.48%	5,188.00	7.45%-9.18%	5,223.10
	Sub-total at face value		**21,290.45**		**19,428.05**
	Repayable in Half yearly instalments :				
	Maturing within 1 year				
	Maturing between 1 year to 3 years	6.35%	56.25	6.35%	168.75
	Maturing between 3 years to 5 years	6.35%	168.75	6.35%	56.25
	Sub-total at face value		**225.00**		**225.00**
	Sub-total at face value (A)		**21,515.45**		**19,653.05**
B)	**Issued on retail public issue -**				
	Repayable on maturity :				
	Maturing within 1 year			9.10%-9.15%	535.56
	Maturing between 1 year to 3 years	9.20%-9.30%	869.15		-
	Maturing between 3 years to 5 years			9.20%-9.30%	869.15
	Sub-total at face value (B)		**869.15**		**1,404.71**
	Total at face value (A+B)		**22,384.60**		**21,057.76**
	Less: Unamortized discounting charges		33.81		72.13
	Total Amortized Cost		**22,350.79**		**20,985.63**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Details of Non-convertible debentures (Unsecured) :

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	6.70%-9.02%	800.00	7.55%-8.51%	850.00
Maturing between 1 year to 3 years	8.32%-8.55%	675.00	6.70%-8.14%	800.00
Maturing beyond 5 years	8.53%	1,000.38	8.53%	1,000.00
Total at face value		**2,475.38**		**2,650.00**
Less: Unamortised discounting charges		5.91		8.64
Total Amortized Cost		**2,469.47**		**2,641.36**

Details of Commercial Papers (Unsecured):

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	7.69%-8.30%	5,175.00	5.50%-8.26%	4,075.00
Total at face value		**5,175.00**		**4,075.00**
Less: Unamortised discounting charges		106.85		139.00
Total Amortized Cost		**5,068.15**		**3,936.00**

Rupee Denominated Secured Bonds overseas (Masala Bonds)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing between 1 year to 3 years		-	7.40%	350.00
Total at face value		**-**		**350.00**
Less: Unamortised discounting charges		-		0.20
Total Amortized Cost		**-**		**349.80**

16 Borrowings (Other than Debt Securities)

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost		
a) Term loans		
i) Secured -		
- from banks	48,562.31	33,390.78
- from banks in foreign currency	63.83	31.02
- External Commercial Borrowings	2,102.05	2,550.71
- Associated liabilities in respect of securitisation transactions	5,608.83	6,733.26
- from other parties (National Housing Bank)	-	111.25
ii) Unsecured -		
- from banks	2.47	85.00
- from other parties	150.00	150.01
b) Loans from related parties		

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

	31st March 2024	31st March 2023
Unsecured -		
- Inter-corporate deposits (ICDs)	90.00	430.00
c) Loans repayable on demand		
Secured -		
- Cash credit facilities with banks	-	169.97
d) Other loans and advances		
Unsecured -		
- Inter-corporate deposits (ICDs) other than related parties	185.00	500.62
- Loans (other than ICD)	25.05	1.78
Total	**56,789.54**	**44,154.40**
Borrowings in India	54,598.61	41,570.89
Borrowings outside India	2,190.93	2,583.51
Total	**56,789.54**	**44,154.40**

Note: There is no Borrowing designated at FVTPL

The secured term loans are secured by exclusive charges on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans.

The borrowings have not been guaranteed by directors or others. Also the Group has not defaulted in repayment of principal and interest.

Details of term loans from banks (Secured)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity :				
Maturing within 1 year	6.75%-8.95%	2,696.00	5.98%-9.24%	3,333.50
Maturing between 1 year to 3 years	7.70%-8.30%	480.00		-
Maturing between 3 years to 5 years	8.70%	100.00	8.77%-9.00%	150.00
Total for repayable on maturity		**3,276.00**		**3,483.50**
2) Repayable in instalments :				
i) Quarterly -				
Maturing within 1 year	5.15%-9.01%	7,878.46	5.15%-9.94%	4,993.31
Maturing between 1 year to 3 years	5.70%-9.01%	14,067.62	5.15%-9.94%	7,006.52
Maturing between 3 years to 5 years	5.75%-9.01%	5,061.75	5.75%-9.94%	2,008.09
Maturing beyond 5 years			8.80%-9.94%	17.86
Sub-Total		**27,007.83**		**14,025.78**
ii) Half yearly -				
Maturing within 1 year	6.25%-8.80%	3,562.08	6.25%-10.50%	3,301.55
Maturing between 1 year to 3 years	6.97%-8.80%	5,858.56	6.25%-8.40%	5,504.12
Maturing beyond 3 years to 5 years	7.80%-8.80%	2,588.03	7.45%-8.40%	2,949.03
Maturing beyond 5 years	8%	111.12		
Sub-Total		**12,119.79**		**11,754.70**
iii) Yearly -				
Maturing within 1 year	7.59%-9.00%	1,906.25	7.35%-9.05%	822.50
Maturing between 1 year to 3 years	7.59%-9.00%	3,107.92	7.49%-8.72%	2,170.42
Maturing between 3 years to 5 years	8.50%-9.00%	1,145.00	8.25%-8.72%	1,133.75
Sub-Total		**6,159.17**		**4,126.67**
Total for repayable in instalments		45,286.79		29,907.14
Total (1+2) (As per contractual terms)		48,562.79		33,390.64
Less: Unamortized Finance Cost		0.48		(0.14)
Total Amortized Cost		**48,562.31**		**33,390.78**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Details of Secured term loans from banks in foreign currency (LKR)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :			-	-
Maturing within 1 year	10.19% - 13.59%	62.30	21.00% - 26.71%	26.11
Maturing between 1 year to 3 years	12.59% - 13.59%	1.53	26.21% - 26.71%	4.91
Maturing beyond 3 years to 5 years				
Total		**63.83**		**31.02**
Less: Unamortized Finance Cost		-		-
Total Amortized Cost		**63.83**		**31.02**

Details of External Commercial Borrowings (USD & Euro)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	6.61%	363.59	6.91%	309.00
Maturing between 1 year to 3 years	6.61%-8.11%	1,743.99	6.61%-8.11%	2,251.17
Maturing beyond 3 years to 5 years				
		2,107.58		**2,560.17**
Less: Unamortized Finance Cost		5.53		9.46
Total		**2,102.05**		**2,550.71**

Details of associated liabilities related to Securitization transactions

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	3.70%-7.55%	2,541.52	3.70% - 10.77%	3,480.33
Maturing between 1 year to 3 years	3.70%-7.55%	2,656.91	3.70% - 10.84%	2,923.76
Maturing between 3 years to 5 years	4.76%-7.55%	410.67	3.70% - 4.76%	329.41
Maturing beyond 5 years		-		-
		5,609.10		**6,733.49**
Less: Unamortized Finance Cost		0.27		0.23
Total		**5,608.83**		**6,733.26**

Secured by exclusive charge on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans

Details of Secured term loans from Other parties (National Housing Bank)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable in instalments :				
Quarterly -		-	8.65%	48.00
Maturing within 1 year		-	8.65%	63.25
Maturing between 1 year to 3 years		-		-
Total		**-**		**111.25**
Less: Unamortized Finance Cost		-		-
Total Amortized Cost		**-**		**111.25**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Details of Unsecured term loans from banks

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	9.25%	2.47	8.05%	85.00
Total		**2.47**		**85.00**
Less: Unamortized Finance Cost		-		-
Total Amortized Cost		**2.47**		**85.00**

Details of Unsecured term loans from others

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	8.20%	75.00	8.10%	150.00
Maturing between 1 year to 3 years	8.20%	75.00		
Total		**150.00**		**150.00**
Less: Unamortized Finance Cost		-		(0.01)
Total Amortized Cost		**150.00**		**150.01**

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Inter-corporate deposits (ICDs) (Related Parties)				
Repayable on maturity :				
Maturing within 1 year	6.70%-8.16%	90.00	5.40%-7.85%	407.50
Maturing between 1 year to 3 years			6.25%	22.50
Total		**90.00**		**430.00**
Less: Unamortized Finance Cost		-		-
Total Amortized Cost		**90.00**		**430.00**
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	6.70%-8.16%	185.00	6.40%-7.80%	500.62
Total		**185.00**		**500.62**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Details of Loans repayable on demand (Secured) - Cash credit facilities with banks

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year		-	8.45%	169.97
Total		**-**		**169.97**
Less: Unamortized Finance Cost		-		-
Total Amortized Cost		**-**		**169.97**

Details of Unsecured Loans other than Inter-corporate deposits (ICDs) :

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	21%-27.21%	25.05	21%-27.21%	1.78
Total		**25.05**		**1.78**
Less: Unamortized Finance Cost		-		-
Total Amortized Cost		**25.05**		**1.78**

17 Deposits

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost		
Deposits (Unsecured)		
- Public deposits *	7,174.73	5,458.74
Total	**7,174.73**	**5,458.74**

Note: There is no other deposit measured at FVTPL or designated at FVTPL.

*There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year. However, there was a delay in one instance in transferring an amount of ₹1,538.00, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

Details of Deposits (Unsecured) - Public deposits :

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity :				
Maturing within 1 year	5.65% - 24.00%	2,652.93	4.95% - 27.5%	1,890.92
Maturing between 1 year to 3 years	5.75% - 18.01%	3,592.21	5.65% - 25.5%	3,145.28
Maturing beyond 3 years	5.90% - 18.86%	952.05	5.90% - 25.0%	439.77
Total at face value		**7,197.19**		**5,475.97**
Less: Unamortised discounting charges		22.46		17.23
Total Amortised Cost		**7,174.73**		**5,458.74**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

18 Subordinated liabilities

(₹ in Crores)

	31st March 2024	31st March 2023
At Amortized cost		
Subordinated redeemable non-convertible debentures - private placement	2,061.90	1,489.23
Subordinated redeemable non-convertible debentures - retail public issue	2,404.55	2,413.40
Total	**4,466.45**	**3,902.63**
Subordinated liabilities in India	4,466.45	3,902.63
Subordinated liabilities outside India	-	-
Total	**4,466.45**	**3,902.63**

Note: There is no Subordinated liability measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortized cost) - Unsecured subordinated redeemable non-convertible debentures

(₹ in Crores)

From the Balance Sheet date	As at 31st March 2024		As at 31st March 2023	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis -				
Repayable on maturity :				
Maturing within 1 year	9.18%-9.60%	225.00	9.50%-9.70%	127.80
Maturing between 1 year to 3 years	8.90%-9.10%	357.00	8.40%-9.60%	460.00
Maturing between 3 years to 5 years	8.40%	120.00	8.40%-9.10%	207.00
Maturing beyond 5 years	7.35%-8.35%	1,362.90	7.35%-9.40%	697.90
Sub-total at face value (A)		**2,064.90**		**1,492.70**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year	7.75%-7.85%	59.32	8.44%-8.80%	12.34
Maturing between 1 year to 3 years	8.53%-9.00%	933.01	7.75%-7.85%	59.32
Maturing between 3 years to 5 years	7.90%-9.50%	784.12	7.90%-9.00%	1,380.25
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-9.50%	980.84
Sub-total at face value (B)		**2,420.41**		**2,432.75**
Total at face value (A+B)		**4,485.31**		**3,925.45**
Less: Unamortised discounting charges		18.86		22.82
Total Amortised Cost		**4,466.45**		**3,902.63**

The respective businesses in the group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

The Group has not been declared as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

19 Other financial liabilities

(₹ in Crores)

	31st March 2024	31st March 2023
Interest accrued but not due on borrowings	1,896.30	1,902.39
Unclaimed dividends #	0.57	0.60
Unclaimed matured deposits and interest accrued thereon #	4.37	4.88
Deposits / advances received against loan agreements	35.51	88.79
Insurance premium payable	18.28	16.90
Salary, Bonus and performance payable	41.12	47.49
Provision for expenses	222.73	189.54
Gross obligation at fair value to acquire non-controlling interest (refer note 39 (ii))	-	206.39
Lease liabilities (refer note 42)	495.13	481.64
Others	60.16	26.91
Total	**2,774.17**	**2,965.53**

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

20 Provisions

(₹ in Crores)

	31st March 2024	31st March 2023
Provision for employee benefits		
- Gratuity (refer note 37)	21.62	32.45
- Leave encashment	99.33	98.76
- Bonus, incentives and performance pay	132.72	174.33
Provision for loan commitment	1.06	3.80
Total	**254.73**	**309.34**

21 Other non-financial liabilities

(₹ in Crores)

	31st March 2024	31st March 2023
Deferred subvention income	14.37	22.49
Statutory dues and taxes payable	163.67	109.98
Others	7.46	6.57
Total	**185.50**	**139.04**

22 Equity Share Capital

(₹ in Crores)

	As at 31st March 2024	As at 31st March 2023
Authorised:		
250,00,00,000 (31st March 2023: 250,00,00,000) Equity shares of ₹2/- each	500.00	500.00
50,00,000 (31st March 2023: 50,00,000) Redeemable preference shares of ₹100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
123,55,29,920 (31st March 2023: 123,55,29,920) Equity shares of ₹2/- each fully paid up	247.11	247.11
Less : 11,43,808 (31st March 2023: 19,31,449) Equity shares of ₹2/- each fully paid up issued to ESOS Trust but not yet allotted to employees, including fresh equity shares allotted to ESOS Trust under rights issue during the year	0.23	0.39
Adjusted Issued, Subscribed and paid-up Share capital	**246.88**	**246.72**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

		31st March 2024		31st March 2023	
		No. of shares	₹ in Crores	No. of shares	₹ in Crores
a)	**Reconciliation of number of equity shares and amount outstanding:**				
	Issued, Subscribed and paid-up:				
	Balance at the beginning of the year	**1,23,55,29,920**	**247.11**	**1,23,55,29,920**	**247.11**
	Add : Fresh allotment of shares	-	-	-	-
	Balance at the end of the year	**1,23,55,29,920**	**247.11**	**1,23,55,29,920**	**247.11**
	Less: Shares issued to ESOS Trust but not yet allotted to employees	11,43,808	0.23	19,31,449	0.39
	Adjusted Issued, Subscribed and paid-up Share capital	**1,23,43,86,112**	**246.88**	**1,23,35,98,471**	**246.72**
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding Company: Mahindra & Mahindra Limited	64,43,99,987	128.88	64,43,99,987	128.88
	Percentage of holding (%)	52.16%		52.16%	
c)	**Shareholders holding more than 5 percent of the aggregate shares:**				
	Mahindra & Mahindra Limited	64,43,99,987	128.88	64,43,99,987	128.88
	Percentage of holding (%)	52.16%		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

(₹ in Crores)

	Shares held by promoters as at 31st March 2024			Shares held by promoters as at 31st March 2023		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Mahindra & Mahindra Limited	64,43,99,987	52.16%	-	64,43,99,987	52.16%	-

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity) :

Statutory reserve

Statutory reserve has been created pursuant to section 45-IC of the RBI Act, 1934 and section 29C of the National Housing Act, 1987. The reserve fund can be utilised only for limited purposes as specified by RBI and NHB respectively, from time to time and every such utilisation shall be reported to the RBI and NHB respectively, within specified period of time from the date of such utilisation.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilised by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

(₹ in Crores)

	31st March 2024	31st March 2023
Dividend paid	741.32	444.79
Profit for the relevant year	1,984.32	988.75
Dividend as a percentage of profit for the relevant year	37.4%	45.0%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

(₹ in Crores)

	31st March 2024	31st March 2023
Face value per share (Rupees)	2.00	2.00
Dividend percentage	315%	300%
Dividend per share (Rupees)	6.30	6.00
Total Dividend on Equity shares (a)	778.38	741.32
Profit after tax for the year ended 31st March 2024 (b)	1,759.62	1,984.32
Dividend proposed as a percentage of profit after tax (a/b)	44.2%	37.4%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

23 Interest income

(₹ in Crores)

	31st March 2024	31st March 2023
I) On financial instruments measured at Amortised cost (refer note 2.7)		
Interest on loans	13,460.27	11,139.30
Income from bill discounting	106.07	102.00
Interest income from investments	261.64	281.21
Interest on term deposits with banks	266.11	210.08
II) On financial instruments measured at fair value through OCI (refer note 2.11 b)		
Interest income from investments in debt instruments	318.24	296.92
Total	**14,412.33**	**12,029.51**

Note: There is no loan asset measured at FVTPL.

24 Fees, charges and commission income

(₹ in Crores)

	31st March 2024	31st March 2023
Fees / charges on loan transactions	165.13	151.54
Commission / brokerage received from mutual fund distribution/other debt products	7.17	10.90
Collection fees related to transferred assets under securitisation transactions	12.02	18.14
Total	**184.32**	**180.58**

25 Net gain / (loss) on fair value changes

(₹ in Crores)

	31st March 2024	31st March 2023
A) Net gain / (loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Investments	2.39	(1.37)
ii) On financial instruments designated at FVTPL	20.63	(8.13)
B) Others - Mutual fund units	4.06	34.87
C) Total Net gain / (loss) on financial instruments at FVTPL	**27.08**	**25.37**
Fair value changes :		
- Unrealised	27.08	25.37
D) Total Net gain / (loss) on financial instruments at FVTPL	**27.08**	**25.37**

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

26 Sale of services

(₹ in Crores)

	31st March 2024	31st March 2023
Income from insurance broking business services	1,057.66	391.38
Total	**1,057.66**	**391.38**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

27 Other income

(₹ in Crores)

	31st March 2024	31st March 2023
Net gain on derecognition of property, plant and equipment	6.97	3.30
Net gain on sale of investments measured at amortised cost	1.09	0.04
Income from shared services	164.75	128.33
Others	0.66	1.20
Total	**173.47**	**132.87**

28 Finance costs

(₹ in Crores)

	31st March 2024	31st March 2023
On financial liabilities measured at Amortised cost		
Interest on deposits	490.27	535.02
Interest on borrowings	3,629.54	2,354.89
Interest on debt securities	2,438.83	1,833.93
Interest on subordinated liabilities	336.94	332.17
Net gain / (loss) in fair value of derivative financial instruments	9.47	(10.77)
Interest expense on lease liabilities (refer note 42)	36.08	30.21
Other borrowing costs	18.07	18.85
Total	**6,959.20**	**5,094.30**

Note: There is no financial liability measured at FVTPL.

29 Impairment on financial instruments

(₹ in Crores)

	31st March 2024	31st March 2023
On financial instruments measured at Amortised cost		
Bad debts and write offs	1,931.30	2,606.74
Loans	32.71	(1,423.04)
Investments	(0.98)	(0.64)
Loan commitment	(2.74)	0.14
Trade receivables and other contracts	(4.54)	(0.61)
Total	**1,955.75**	**1,182.59**

Note: There is no financial instrument measured at FVOCI.

30 Employee benefits expenses

(₹ in Crores)

	31st March 2024	31st March 2023
Salaries and wages	2,085.69	1,927.75
Contribution to provident funds and other funds	126.98	134.40
Share based payments to employees	6.56	14.53
Staff welfare expenses	42.21	38.65
Total	**2,261.44**	**2,115.33**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

31 Depreciation, amortization and impairment

(₹ in Crores)

	31st March 2024	31st March 2023
Depreciation on Property, Plant and Equipment (refer note 10)	161.35	123.36
Amortization and impairment of intangible assets (refer note 11)	13.85	13.02
Depreciation on Right of Use Asset (refer note 10 and 42)	99.65	89.58
Total	**274.85**	**225.96**

32 Other expenses

(₹ in Crores)

	31st March 2024	31st March 2023
Rent	17.10	16.77
Rates and taxes, excluding taxes on income	14.96	10.64
Electricity charges	21.99	19.45
Repairs and maintenance	14.96	18.06
Communication Costs	59.46	42.01
Printing and Stationery	16.28	18.68
Advertisement and publicity	41.41	28.86
Directors' fees, allowances and expenses	4.79	5.03
Auditor's fees and expenses -		
- Audit fees	1.85	1.71
- Taxation matters	-	-
- Other services	0.68	0.60
- Reimbursement of expenses	0.04	0.06
Legal and professional charges	190.95	154.97
Insurance	75.77	70.66
Manpower outsourcing cost	147.93	219.21
Donations	4.89	0.39
Corporate Social Responsibility (CSR) expenses	26.83	50.64
Conveyance and travel expenses	200.87	184.22
Other expenses	278.41	270.50
Total	**1,119.17**	**1,112.46**

33 Exceptional items

(₹ in Crores)

	31st March 2024	31st March 2023
Impairment loss provision on equity investment in Sri Lankan subsidiary, Mahindra Ideal Finance Limited (MIFL) (refer note 39 (i))	-	(56.06)
Total	**-**	**(56.06)**

34 Earning Per Share (EPS)

(₹ in Crores)

	31st March 2024	31st March 2023
Profit for the year (₹ in crores)	1,932.69	2,072.40
Weighted average number of Equity Shares used in computing basic EPS	1,23,39,32,506	1,23,31,47,111
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	6,47,658	12,09,941
Weighted average number of Equity Shares used in computing diluted EPS	1,23,45,80,164	1,23,43,57,052
Basic Earnings per share (₹) (Face value of ₹2/- per share)	15.66	16.81
Diluted Earnings per share (₹)	15.65	16.79

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

35 Accumulated Other Comprehensive Income

(₹ in Crores)

	31st March 2024	31st March 2023
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	21.47	21.47
- Net gain / (loss) on equity instruments through OCI	-	-
Income tax impact thereon	-	-
Balance at the end of the year : Subtotal (A)	**21.47**	**21.47**
B) Items that will be reclassified to profit or loss		
Balance at the beginning of the year	(27.92)	(7.64)
- Exchange differences in translating the financial statements of a foreign associate	4.70	(1.40)
- The effective portion of gains and loss on hedging instruments in a cash flow hedge	(3.38)	(6.34)
- Share of other comprehensive income / (loss) of equity accounted investees	10.93	53.79
- Net gain / (loss) on debt instruments through OCI	71.98	(90.76)
Income tax impact thereon	(17.26)	24.44
Balance at the end of the year : Subtotal (B)	**39.05**	**(27.92)**
Accumulated Other Comprehensive Income (A + B)	**60.52**	**(6.45)**

36 Employee Stock Option Plan

The Company had allotted 48,45,025 Equity shares (face value of ₹2/- each) under Employee Stock Option Scheme 2010 at par on 3rd February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of ₹50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17th August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at ₹50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue shall remain same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 65,50,154 equity shares to employees up to 31st March 2024 (31st March 2023: 57,62,513 equity shares), of which 7,87,641 equity shares (31st March 2022: 6,42,714 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.16 crores for the year ended 31st March 2024 (31st March 2023 : ₹ 0.13 crores).

a) The terms and conditions of the Employees Stock Option Scheme 2010 are as under :

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

During the year ended 31st March 2024, the Company has not granted any stock options (31st March 2023: nil) to the employees under the Employees' Stock Option Scheme 2010.

ii) Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023")

During the year ended 31st March 2024, the Company has granted 2,83,171 stock options under the newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on 28th April 2023.

The terms and conditions of the MMFSL RSU PLAN 2023 are as under :

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs, The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control d) Profit growth e) Return on Assets (ROA) f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 equal tranches @ 33.33% on expiry of 12, 24 and 36 months, up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

Particulars	Year ended 31st March 2024
Grant dated 26th October 2023	
Exercise price (₹)	2.00
Fair value of option (₹)	246.47

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

Grant dated 26th October 2023	Year ended 31st March 2024
Variables#	
1) Risk free interest rate	7.29%
2) Expected life	4.51 years
3) Expected volatility	45.98%
4) Dividend yield	2.19%
5) Price of the underlying share in the market at the time of option grant (₹)	273.60

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

Notes forming part of the Consolidated Financial Statements

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c) i) Summary of stock options - Employee Stock Option Scheme 2010 :

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of stock options	Weighted average exercise price (₹) #	No. of stock options	Weighted average exercise price (₹) #
Options outstanding at the beginning of the year	14,34,983	26.91	21,67,340	26.91
Options granted during the year	-	-	-	-
Adjustment pertaining to Rights Issue	-	-	-	-
Options forfeited / lapsed during the year	12,392	26.00	47,783	26.46
Options expired during the year	22,187	35.33	41,860	31.62
Options exercised during the year	7,87,641	26.63	6,42,714	26.63
Options outstanding at the end of the year	6,12,763	26.97	14,34,983	26.91
Options vested but not exercised at the end of the year	6,12,763	26.97	6,96,553	27.87

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at ₹2/- per option and adjustment options issued under Rights issue are exercisable at ₹50/- each, including premium of ₹48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

Particulars	As at 31st March 2024	
	No. of stock options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	-	-
Options granted during the year	2,83,171	2.00
Options forfeited / lapsed during the year	-	-
Options expired during the year	-	-
Options exercised during the year	-	-
Options outstanding at the end of the year	2,83,171	2.00
Options vested but not exercised at the end of the year	-	-

d) Information in respect of options outstanding :

Exercise price	As at 31st March 2024		As at 31st March 2023	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010 -				
- At ₹2.00 per option	2,94,002	24 months	6,90,412	35 months
- At ₹50.00 per option	3,18,761	23 months	7,44,571	34 months
MMFSL RSU PLAN 2023 -				
- At ₹50.00 per option	2,83,171	80 months		
	8,95,934		**14,34,983**	

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended 31st March 2024		Year ended 31st March 2023	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
01st April 2023 to 31st March 2024	275.35	01st April 2022 to 31st March 2023	215.21

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for the year ended 31st March 2024

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, ₹4.49 crores (31st March 2023: ₹4.55 crores) has been included under 'Employee Benefits Expense' as 'Share-based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements to the holding company of ₹1.69 crores (31st March 2023: ₹1.05 crores) in respect of options granted to employees of the Company and excludes net recovery of ₹0.01 crores (31st March 2023: ₹0.22 crores) from its subsidiaries for options granted to their employees.

37 Employee benefits

General description of defined benefit plans

Gratuity

Most of the entities operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Most of the entities makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Post retirement medical

The Parent Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars		Funded Plan	
		Gratuity	
		Year ended 31 March	
		2024	2023
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	18.62	16.14
	Net Interest cost	1.89	3.11
	Past service cost	-	-
	Interest Income	(6.94)	0.22
	Adjustment due to change in opening balance of Plan assets	(8.55)	(5.65)
	Total expenses included in employee benefits expense	**5.02**	**13.82**
II.	**Amount recognised in Other Comprehensive income***		
	Remeasurement (gains)/losses:		
	a) Actuarial (gains)/losses arising from changes in -		
	- demographic assumptions	(0.05)	0.54
	- financial assumptions	(6.28)	(17.34)
	- experience adjustments	1.84	0.25
	b) Return on plan assets, excluding amount included in net interest expense/(income)	-	-
	Total amount recognised in other comprehensive income	**(4.48)**	**(16.55)**
	*The above data is including the inter company adjustment of associate(s) / joint venture(s) which are accounted for using equity method in these consolidated financial statements for current year. (refer note 41(i))		
III.	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	150.27	126.72
	Add/(less) on account of currency fluctuation	0.08	-
	Current service cost	18.62	16.15
	Past service cost	-	-
	Interest expense	11.39	9.33
	Remeasurement (gains)/losses arising from changes in -	-	-
	- demographic assumptions	(0.08)	0.77
	- financial assumptions	3.10	(1.78)
	- experience adjustments	(3.00)	13.37

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars		Funded Plan	
		Gratuity	
		Year ended 31 March	
		2024	2023
	Benefits paid	(6.45)	(14.30)
	Closing defined benefit obligation	**173.93**	**150.27**
IV.	**Change in the fair value of plan assets during the year**		
	Opening Fair value of plan assets	117.82	79.24
	Interest income	15.35	5.16
	Expected return on plan assets	(7.34)	(4.11)
	Contributions by employer	24.77	46.53
	Adjustment due to change in opening balance of Plan assets	8.55	5.65
	Actual Return on plan assets in excess of the expected return	(0.38)	(0.43)
	Actual Benefits paid	(6.45)	(14.22)
	Closing Fair value of plan assets	**152.32**	**117.82**
V.	**Net defined benefit obligation**		
	Defined benefit obligation	173.93	150.27
	Fair value of plan assets	152.31	117.81
	Surplus/(Deficit)	(21.62)	(32.46)
	Current portion of the above	(7.52)	(4.71)
	Non current portion of the above	(14.10)	(27.75)
VI.	**Expected contribution for the next reporting year**	**27.71**	**16.31**

Actuarial assumptions and Sensitivity

Particulars		Funded Plan	
		Gratuity	
		Year ended 31 March	
		2024	2023
I.	**Actuarial assumptions**		
	Discount Rate (p.a.)	7.50%	7.50%
	Attrition rate	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above	22.00 for age upto 30, 16.00 for age 31-44, 8.00 for 44 and above
	Expected rate of return on plan assets (p.a.)	7.50%	7.32%
	Rate of Salary increase (p.a.)	7.00%	7.00%
	In-service Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
II.	**Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:**		
	One percentage point increase in discount rate	(10.89)	(7.90)
	One percentage point decrease in discount rate	11.98	7.82
	One percentage point increase in Salary growth rate	11.97	7.82
	One percentage point decrease in Salary growth rate	(10.84)	(8.04)
III.	**Maturity profile of defined benefit obligation**		
	Within 1 year	33.27	37.34
	Between 1 and 5 years	149.53	203.42

Notes forming part of the Consolidated Financial Statements

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The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The contribution to provident fund, superannuation fund and national pension scheme at Group level aggregating to ₹105.90 crores (31st March 2023: ₹94.90 crores) has been recognized in the Statement of profit and loss under the head "Employee benefits expense".

38 Additional disclosures

i) During the financial years ended 31st March 2024 and 31st March 2023, the Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Company and there is no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

As at 31st March 2024

Name of Struck off Company		Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2024 (₹ in crores)	Relationship with the Struck off company, if any, to be disclosed
1	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	0.00	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	-	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I)PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	-	External
10	MRA REFINO PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	-	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	-	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Receivables	0.00	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	-	External

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for the year ended 31st March 2024

As at 31st March 2024

Name of Struck off Company		Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2024 (₹ in crores)	Relationship with the Struck off company, if any, to be disclosed
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	0.00	External
24	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

As at 31st March 2023

Name of Struck off Company		Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2023 (₹ in crores)	Relationship with the Struck off company, if any, to be disclosed
1	ASHWANI ENTERPRISES PRIVATE LIMITED	Receivables	0.04	External
2	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.03	External
3	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	0.01	External
4	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.06	External
5	BRILLIANT RISIE PRIVATE LIMITED	Receivables	0.07	External
6	ALCROOKS AND COOK PRIVATE LIMITED	Receivables	-	External
7	OM DHAR ENGINEERING PRIVATE LIMITED	Receivables	-	External
8	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.02	External
9	GARHWAL AIRCON SERVICES PRIVATE LIMITED	Receivables	0.07	External
10	IGI CORPORATION PVT LTD	Receivables	-	External
11	MRA REFINO PRIVATE LIMITED	Receivables	0.02	External
12	GR AUDITYA RENEWABLE ENERGIES PRIVATE LIMITED	Receivables	0.06	External
13	JCR INFRABUILT PRIVATE LIMITED	Receivables	0.04	External
14	NOVOCON SOLUTION PVT LTD	Receivables	0.00	External
15	DEVINE DEVBUILD PRIVATE LIMITED	Receivables	-	External
16	ENGINEERS REALTY PRIVATE LIMITED	Receivables	-	External
17	PUNEETH TECHNO PROJECTS PRIVATE LIMITED	Receivables	0.03	External
18	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.07	External
19	ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.04	External
20	GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.02	External
21	SSNG BUSINESS PRIVATE LIMITED	Receivables	-	External
22	NAVADHARA SUPER MARKET PRIVATE LIMITED	Receivables	-	External
23	NIRBAN LOGISTICS PRIVATE LIMITED	Receivables	-	External
24	ASVRJ LOGISTIC PVT LTD	Receivables	0.01	External
25	SPXPRESS LOGISTICS PRIVATE LIMITED	Receivables	0.07	External
26	SLTT INDIA PRIVATE LIMITED	Receivables	0.03	External
27	DHARAA MOBILITY PVT LTD	Receivables	-	External
28	AUTO WORLD PRIVATE LIMITED	Receivables	0.83	External
29	RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	-	External
30	ARSH BUILDWELL PRIVATE LIMITED	Receivables	-	External
31	ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	-	External

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

As at 31st March 2023

Name of Struck off Company		Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2023 (₹ in crores)	Relationship with the Struck off company, if any, to be disclosed
32	VENHAN TECHNOLOGIES PRIVATE LIMITED	Receivables	0.18	External
33	SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.13	External
34	CZONE ENGINEERS PRIVATE LIMITED	Receivables	0.05	External
35	M/S. ASHWA ARTS PRIVATE LIMITED	Receivables	0.01	External
36	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.07	External
37	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.04	External
38	XPERTO MARKETING SOLUTION PVT LTD	Receivables	-	External
39	RAMA TENT HOUSE PRIVATE LIMITED	Receivables	0.09	External
40	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.06	External
41	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.02	External
42	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	0.01	External
43	SHIRIDI SRISAI SOLUTIONS PVT LTD	Receivables	0.06	External
44	DEVBHUMI AVIATION PVT LTD	Receivables	-	External
45	VH SQUARE HEALTHCARE PVT LTD	Receivables	0.08	External
46	SHREE BIO CROP INDIA PRIVATE LIMITED	Receivables	-	External
47	LIANCE CONSULTANT&ENGINEERS PRIVATE LIMITED	Payables	0.00	External
48	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
49	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External
50	EFCEE SAROVAR PORTICO DIV LEELA TRADELINK PVT LTD	Payables	-	External
51	XTECHONE INTERNET SOLUTIONS PVT LTD	Payables	-	External

* Number of Equity Shares

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

v) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

vi) Utilisation of Borrowed funds and share premium:

A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

39 Transactions in the nature of change in ownership in other entities

(i) During the previous year ended 31st March 2023, the Parent has recorded an impairment loss provision of ₹56.06 crores in respect of its subsidiary in Sri Lanka, Mahindra Ideal Finance Limited (MIFL) on account of the severe economic crisis situation in Sri Lanka based on valuation report obtained from an independent registered valuer. Further, the Parent has assessed the recent situation in Sri Lanka and observed that the macro-economic situation along with business scenario for the entity has shown improvements, however, the Parent would like to wait for few more quarters and witness significant improvement in certain performance parameters before taking decision on reversal of impairment loss provision.

(ii) Pursuant to Share Purchase Agreement dated 21st October 2022 entered into by the Parent Company with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) and on receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI), the Company has completed the acquisition of 20,61,856 Equity shares of ₹10 each of MIBL, at a price of ₹1001 per share on 22nd September 2023 involving a pay-out of ₹206.39 crores which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent Company effective from 22nd September 2023.

The consolidated financial statements have been given effect of this transaction to reflect the relevant accounting implications as at 30th September 2023 and the same has been carried forward in the results for the year ended 31st March 2024.

40 As required under the 'Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013, the Parent and its Indian subsidiaries has used accounting software for maintaining its books of account for the financial year ended 31st March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate alternate control tools have been deployed to monitor the direct data changes effected at the data base level.

Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the Parent and its Indian subsidiaries as per the statutory requirements for record retention.

41 Capital management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Group determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Group.

The Parent Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, as applicable, the Parent Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Parent Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Parent Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI, details of which are given below :-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Regulatory capital

(₹ in Crores)

	As at 31st March 2024	As at 31st March 2023
Tier - I capital	16,308.04	15,307.93
Tier - II capital	2,462.39	2,045.12
Total Capital	**18,770.43**	**17,353.05**
Aggregate of Risk Weighted Assets	99,531.86	77,061.91
Tier - I capital ratio	16.39%	19.87%
Tier - II capital ratio	2.47%	2.65%
Total Capital ratio	**18.86%**	**22.52%**

The housing finance business of the Group is subject to the capital adequacy requirements of the National Housing Bank (NHB) and has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB.

42 Leases

I) In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Group has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at 1st April 2019, and thereafter, at the inception of respective lease contracts and ROU asset is equal to lease liability subject to certain practical expedients as allowed by the standard.

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

(₹ in Crores)

	As at 31st March 2024	As at 31st March 2023
Less than 1 year	112.54	106.09
1 - 3 years	223.77	164.48
3 - 5 years	148.91	136.10
More than 5 years	144.13	170.67
Total undiscounted lease liabilities	**629.35**	**577.34**

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

(₹ in Crores)

	Amount for the year ended	
	31st March 2024	31st March 2023
i) Depreciation charge for right-of-use assets for Leasehold premises (presented under note 31 - "Depreciation, amortization and impairment")	99.65	89.58
ii) Interest expense on lease liabilities (presented under note 28 - "Finance costs")	36.08	30.21
iii) Expense relating to short-term leases (included in Rent expenses under note 32 - "Other expenses")	17.10	16.77
iv) Expense relating to leases of low-value assets (included in Rent expenses under note 33 - "Other expenses")	12.29	10.74
v) Payments for principal portion of lease liability	85.95	69.72
vi) Additions to right-of-use assets during the year (refer note 10)	104.04	317.81
vii) Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -		
- Property taken on lease for office premises (presented under note10 - "Property, plant and equipments")	435.15	435.54
viii) Lease liabilities (presented under note 19 - "Other financial liabilities")	495.13	481.64

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18th June 2021, Ind AS 116 - Leases paragraph 46B was amended to extend the application of practical expedient related to COVID-19-Related Rent Concessions to lease payments originally due on or before 30th June 2022. The Company had applied this practical expedient to all such rent concessions received during the year ended 31st March 2023 (up to 30th June 2022) from certain Lessors that meet the conditions specified in paragraph 46B. The amount of rent concessions recognized in the statement of profit or loss for the year under review is not material.

II) In the cases where assets are given on operating lease (as lessor) -

Key terms of the lease are as below :

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value-added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick-up and drop, replacement vehicle etc

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

Other details are as follows:

(₹ in Crores)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	457.80	321.13
Depreciation for the year	75.03	48.23
Accumulated Depreciation	128.31	73.91
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Gross carrying amount	2.71	2.71
Depreciation for the year	0.12	0.24
Accumulated Depreciation	2.68	1.38

The total future minimum lease rentals receivable for the non-cancellable lease period as at the Balance sheet date is as under:

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
i) New vehicles to retail customers on operating lease -		
Not later than one year	140.89	87.95
Later than one year but not later than five years	279.08	169.72
	419.97	**257.67**
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Not later than one year	-	0.20
Later than one year but not later than five years	-	0.12
	-	**0.32**

III) In the cases where assets are given on finance lease (as lessor) -

Rentals receivable on finance lease :

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Gross Rental Receivable	827.32	378.04
Less : Unearned Income	143.71	93.38
Net Receivable before charging allowance for Impairment loss	683.61	284.66
Less : Allowance for Impairment losses	6.51	10.96
Total Net Receivables	**677.10**	**273.70**

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	323.44	503.87	0.01	827.32
Less : Unearned Income	70.61	73.10	0.00	143.71
Net Receivable before charging allowance for Impairment loss	**252.83**	**430.77**	**0.01**	**683.61**

43 Frauds reported during the year

i) There were 254 cases (31st March 2023: 185 cases) of frauds amounting to ₹9.37 crores (31st March 2023: ₹4.57 crores) reported by the Group during the year. The Group has recovered an amount of ₹5.87 crores (31st March 2023: ₹4.10 crores) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies.

ii) During the quarter and year ended 31st March, 2024, the Parent Company detected a fraud at its Branch in Aizawl, Mizoram ("the Branch"), in respect of retail vehicle loans disbursed by the Parent Company. The fraud was perpetrated in the Branch through collusion amongst some Branch employees, with segregated duties, by forgery of KYC and asset related documents and involvement of other external people including vehicle dealers, leading to embezzlement of the Parent Company's funds.

The Parent Company has appointed a law firm and an accounting firm to undertake a fact-finding assessment of the aforesaid suspected irregularities ("Assessment"). Based on the results of the Assessment by the accounting firm and the management, 2,887 loan accounts were identified by the Management as potentially fraudulent in nature. These loans had an outstanding net recoverable balance of ₹135.86 crores as of 31st March 2024, which have been fully provided.

44 On 16th March 2024, the Group experienced a cyber security incident resulting in non-availability of certain applications and systems for a period of 4 days. The Group engaged cybersecurity specialists to assist in the investigation of and response to the incident and remediation and restoration of the impacted applications and systems. By 22nd March 2024, the Group built back the impacted applications and systems from immutable backups. The core systems remained unimpacted and peripheral systems were restored by 25th March 2024. The investigation by the cybersecurity specialists has been completed and they have confirmed that all the servers containing data pertaining to books of accounts have no evidence of unauthorized access or exfiltration. The Group may incur costs associated with the incident, which are currently indeterminable. The Group continues to closely monitor the situation.

45 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
i) Contingent liabilities		
Claims against the Company not acknowledged as debts	185.31	181.66
Guarantees	1,451.69	1,983.72
Other money for which the Company is contingently liable	1.69	1.22
Sub-Total (i)	**1,638.69**	**2,166.60**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	48.70	214.70
Commitment towards Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL)	-	206.39
Other commitments	597.11	633.26
Sub-Total (ii)	**645.81**	**1,054.35**
Total	**2,284.50**	**3,220.95**

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with Income Tax, Sales tax/VAT and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

46 Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

The Group has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Group, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Group to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Group is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Group has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitisation transactions" under Note no. 17.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Securitizations -		
Carrying amount of transferred assets measured at amortised cost	5,589.23	6,752.92
Carrying amount of associated liabilities (Term Loan)	5,608.83	6,733.26
Fair value of assets (A)	5,425.67	6,533.48
Fair value of associated liabilities (B)	5,716.38	6,796.88
Net position at FV (A-B)	(290.71)	(263.40)

47 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

48 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

49 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31st March 2024

(₹ in Crores)

Particulars	31st March 2023	Business Combination	Cash flows (net)	Exchange difference	Amortisation of loan origination costs	New leases	31st March 2024
Debt securities	27,912.79		1,971.80	-	3.82	-	29,888.41
Borrowings (Other than debt securities)	44,154.40		12,699.37	(76.49)	12.26	-	56,789.54
Deposits	5,458.74		1,708.98	-	7.01	-	7,174.73
Subordinated liabilities	3,902.63		559.85	-	3.97	-	4,466.45
Lease liabilities	481.64		(105.22)	-	15.43	103.28	495.13
Total liabilities from financing activities	**81,910.20**	**-**	**16,834.78**	**(76.49)**	**42.49**	**103.28**	**98,814.26**

Year ended 31st March 2023

(₹ in Crores)

Particulars	31st March 2023	Business Combination	Cash flows (net)	Exchange difference	Amortisation of loan origination costs	New leases	31st March 2023
Debt securities	21,597.15		6,316.00	-	(0.36)	-	27,912.79
Borrowings (Other than debt securities)	28,652.09		15,597.76	(96.85)	1.40	-	44,154.40
Deposits	8,286.26		(2,859.08)	-	31.56	-	5,458.74
Subordinated liabilities	3,590.13		309.99	-	2.51	-	3,902.63
Lease liabilities	239.70		(68.72)	-	-	310.66	481.64
Total liabilities from financing activities	**62,365.33**	**-**	**19,295.95**	**(96.85)**	**35.11**	**310.66**	**81,910.20**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

50 Segment information

Primary segment (Business Segment)

The Group's business is organised in to following segments and the management reviews the performance based on the business segments as mentioned below:

Segment	Activities
Financing activities	Financing and leasing of automobiles, tractors, commercial vehicles, SMEs and housing finance.
Other reconciling items	Insurance broking, asset management services and trusteeship services

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocation, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Ind AS -108 on Operating Segments:

Particulars	Year ended 31st March 2024			Year ended 31st March 2023		
	Financing Activities	Others	Total	Financing Activities	Others	Total
External Revenue	14,919.74	1,094.93	16,014.67	12,451.85	426.58	12,878.43
Inter Segment Revenue	-	-	44.35	-	-	46.03
Net Revenue	**14,919.74**	**1,094.93**	**15,970.32**	**12,451.85**	**426.58**	**12,832.40**
Segment Results (Profit / (Loss) before tax) :	2,420.70	167.48	2,588.18	2,757.72	46.04	2,803.76
Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
Net Profit before tax	**2,420.70**	**167.48**	**2,588.18**	**2,757.72**	**46.04**	**2,803.76**
Segment Assets	1,21,353.89	826.63	1,22,180.52	1,03,109.20	661.27	1,03,770.47
Unallocated corporate assets	-	-	1,535.27	-	-	1,314.30
Total Assets			**1,23,715.79**			**1,05,084.77**
Segment Liabilities	1,03,363.70	248.63	1,03,612.33	86,161.14	148.04	86,309.18
Other unallocable liabilities	-	-	128.60	-	-	74.15
Total Liabilities			**1,03,740.93**			**86,383.33**

51 Financial Risk Management Framework

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy which has been approved by the Board of Directors of the respective Group companies.

Board of Directors of the Parent and its subsidiary in the housing finance business have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

Notes forming part of the Consolidated Financial Statements

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51.1 Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

a) Pricing Risk

The Group's Investment in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹94.31 crores (31st March 2023 : ₹108.72 crores). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group's foreign currency exposures are managed within approved parameters. The Group manages its foreign currency risk by entering into forward contract and cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Group's foreign currency exposure at the end of the reporting period are as follows:

(₹ in Crores)

	JPY	US Dollar	Total
As at 31st March 2024			
Financial Assets	-	-	-
Financial Liabilities	1,270.88	831.17	2,102.05
As at 31st March 2023			
Financial Assets	-	-	-
Financial Liabilities	1,732.32	818.39	2,550.71

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

(₹ in Crores)

	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31st March 2024	INR/JPY	(+/-) 1.00%	(+/-) 12.74
	INR/USD	(+/-) 1.00%	(+/-) 8.34
Year ended 31st March 2023	INR/JPY	(+/-) 1.00%	(+/-) 17.38
	INR/USD	(+/-) 1.00%	(+/-) 8.22

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

c) Interest Rate Risk

The Group uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps, wherever necessary.

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Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Crores)

	Currency	Increase / decrease in basis points (Range)	Effect on profit before tax
Year ended 31st March 2024	INR	100	388.68
Year ended 31st March 2023	INR	100	240.27

d) Off-setting of balances

The table below summarises the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet:

Financial assets subject to offsetting

(₹ in Crores)

Particulars	Offsetting recognised on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognised in balance sheet
Loan assets			
At 31st March 2024	**99,292.33**	**97.15**	**99,195.18**
At 31st March 2023	79,557.32	102.59	79,454.73

Financial liabilities subject to offsetting

(₹ in Crores)

Particulars	Offsetting recognised on the balance sheet		
	Gross liabilities before offset	Financial assets netted	Liabilities recognised in balance sheet
Other financial liabilities			
At 31st March 2024	**2,538.48**	**97.15**	**2,441.33**
At 31st March 2023	2,486.87	102.59	2,384.28

Note : The residential loan businesses has not offset financial assets and financial liabilities.

51.2 Credit Risk Management

Credit risk is the risk that the Group will incur a loss because its customers fail to discharge their contractual obligations. The Group has a comprehensive framework for monitoring credit quality of its retail and other loans based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

i) Credit quality of financial loans and investments

The following table sets out information about credit quality of loan assets and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount.

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(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	79,701.81	62,434.58
Past Due but not impaired :		
1-30 days past due	6,836.64	4,874.41
31-90 days past due	5,133.38	4,906.91
Impaired (more than 90 days)	3,453.32	3,692.32
Total Gross carrying value as at reporting date	**95,125.15**	**75,908.22**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Residential loan assets		
Neither Past due nor impaired	5,729.63	4,980.01
Past Due but not impaired :		
1-30 days past due	230.18	386.68
31-90 days past due	598.36	1,080.17
Impaired (more than 90 days)	650.91	753.07
Total Gross carrying value as at reporting date	**7,209.08**	**7,199.93**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	3,533.97	4,331.40
Past Due but not impaired :		
1-30 days past due	1,194.40	55.05
31-90 days past due	40.94	20.54
Impaired (more than 90 days)	43.10	49.69
Total Gross carrying value as at reporting date	**4,812.41**	**4,456.68**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Trade Advances		
Less than 60 days past due	2,853.29	2,480.06
61-90 days past due	18.94	53.43
Impaired (more than 90 days)	6.87	6.93
Total Gross carrying value as at reporting date	**2,879.10**	**2,540.42**

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,313.22	1,446.68
Past Due but not impaired :		
1-30 days past due	-	-
31-90 days past due	-	-
Impaired (more than 90 days)	-	-
Total Gross carrying value as at reporting date	**1,313.22**	**1,446.68**

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for the year ended 31st March 2024

The Group reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the group is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact adversely, and hence the Group has calculated its ECL allowances on a collective basis.

ii) Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Group categorises loan assets (except trade advances) into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days

The Group categorises trade advances into stages primarily based on the Days Past Due status.

Stage 1 : 0-60 days past due

Stage 2 : 61-90 days past due

Stage 3 : More than 90 days

The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances, lease and other receivables. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the respective businesses.

iii) Definition of default

The Group considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes more than 90 days past due on its contractual payments.

Since the group's portfolio predominantly includes retail loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the group has considered 90 days past due as the event of default. The same is also in line with the regulator's definition of default of 90 days past due.

iv) Exposure at default

"Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

v) Estimations and assumptions considered in ECL model

The Parent Company has made the following assumptions in the ECL Model:

a) Loss Given Default (LGD):

- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default occurred.

Generally, common LGD is applied on the exposures in all the three stages.

While, the general approach / methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.

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- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation;
- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;
- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances..

Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

b) **Probability of Default (PD):**

- It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is considered which represents default events that are possible within 12 months after the reporting date.
- For Stage 2 assets , life time PD is considered which represents default events that are possible over the expected life / tenor of the financial instrument.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

(vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level.

- **Financial assets that are not credit impaired at the reporting date:**

  ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- **Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:**

  ECL for Stage 2 : Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- **Financial assets that are credit impaired at the reporting date:**

  ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.

  For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:

- **Stage 3 assets with ageing up to 18 months (< =540 DPD)**

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)

  Required Carrying value-A ={EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- **Stage 3 assets with ageing more than 18 months (>540 DPD)**

  ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)

  Required Carrying value-B ={EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR}

- **Undrawn loan commitments:**

  ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

ECL on Lease business portfolio:

The customer segment of the Parent Company catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

Since the Lease business comprising Operating and Finance lease was relatively new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Parent Company has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the simialrities in products offered, customer segments catered and average tenure of lease contracts.

(vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Group are robust reflections of the state of economy which result into systematic risk for the respective portfolio categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook.

(viii) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience, including forward-looking information. The Group considers reasonable and supportable information that is relevant and available without undue cost and effort. The Group's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result the Group monitors all financial assets and loan commitments that are subject to impairment for SICR.

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As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In case of government endorsed instalment moratoriums, it cannot be assumed that those borrowers that are granted moratoriums have suffered a SICR. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes. Therefore, we consider that use of government-endorsed instalment moratoriums by a borrower would not on its own trigger the counting of days past due for the 30 days past due backstop used to determine SICR or the 90 days past due backstop used to determine default.

Moreover, the acceptance of such moratorium may indicate short-term liquidity or cash flow problems but is likely to provide little information to differentiate borrower's lifetime credit risk. Thus, the grant of such moratorium cannot be considered as the sole indicator that SICR has occurred or even as the basis to adjust the borrower's probability of default.

As a part of the qualitative assessment of whether a customer is in default, the Parent company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Parent company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include: -

i. A Stage 3 customer having other loans which are in Stage 1 or 2.

ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans

iii. Retail vehicle loans, where asset has been repossessed.

iv. Cases where Company suspects fraud and legal proceedings are initiated.

v. SME loans where the Company has resorted to its rights under the SARFAESI Act.

Further, the Group classifies certain category of exposures in to Stage 3 and makes accelerated provision upto 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.

The Group regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(x) Inputs to the model of Retail Loan portfolio of the parent company.

a. Observed Default Rates (ODRs) over past 60 months for each product category

b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years

c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered

b. These are converted into quarterly numbers applying cubic spline technique

c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.

d. These combinations are further tested for statistical robustness.

e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.

f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

a. Agriculture is considered as one of 3 variables compulsorily.

b. Second Variable is from GDP / Government consumption related below parameters:

Description

Real GDP (% change pa)

Nominal GDP (PPP$)

Real government consumption (LCU)

Real GDP (PPP US$ at 2010 prices)

Nominal GDP (LCU)

Nominal government consumption (LCU)

Nominal GDP (US$)

Nominal government consumption (US$)

c. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.

E. Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance** lease is determined as follows:

(₹ in Crores)

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2024	86,538.45	5,133.38	3,453.32	95,125.15
Expected credit loss rate	0.68%	11.39%	63.16%	
Carrying amount as at 31st March 2024 (net of impairment provision)	85,950.02	4,548.64	1,272.22	91,770.88
Gross Balance as at 31st March 2023	67,308.99	4,906.91	3,692.32	75,908.22
Expected credit loss rate	0.76%	10.60%	58.63%	
Carrying amount as at 31st March 2023 (net of impairment provision)	66,796.72	4,386.82	1,527.43	72,710.97

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The expected credit loss allowance provision for **Residential Loans** is determined as follows:

(₹ in Crores)

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2024	5,959.81	598.36	650.91	7,209.08
Expected credit loss rate	0.27%	8.23%	32.36%	
Carrying amount as at 31st March 2024 (net of impairment provision)	5,943.89	549.11	440.30	6,933.30
Gross Balance as at 31st March 2023	5,366.69	1,080.17	753.07	7,199.93
Expected credit loss rate	0.97%	8.75%	27.60%	
Carrying amount as at 31st March 2023 (net of impairment provision)	5,314.40	985.62	545.22	6,845.24

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

(₹ in Crores)

Particulars	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2024	4,728.37	40.94	43.10	4,812.41
Expected credit loss rate	0.66%	11.51%	62.85%	
Carrying amount as at 31st March 2024 (net of impairment provision)	4,697.08	36.23	16.01	4,749.32
Gross Balance as at 31st March 2023	4,386.46	20.53	49.69	4,456.68
Expected credit loss rate	0.36%	9.55%	57.10%	
Carrying amount as at 31st March 2023 (net of impairment provision)	4,370.63	18.57	21.32	4,410.51

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

(₹ in Crores)

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31st March 2024	2,853.29	18.94	6.87	2,879.10
Expected credit loss rate	0.40%	5.63%	100.00%	
Carrying amount as at 31st March 2024 (net of impairment provision)	2,841.88	17.87	-	2,859.75
Gross Balance as at 31st March 2023	2,480.06	53.43	6.93	2,540.42
Expected credit loss rate	0.40%	5.96%	100.00%	
Carrying amount as at 31st March 2023 (net of impairment provision)	2,470.14	50.25	-	2,520.39

The contractual amount outstanding for trade advance that has been written off by the Group during the year ended 31st March 2024 and that were still subject to enforcement activity was ₹3.36 Crores (31st March 2023: 56.64 crores).

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The expected credit loss allowance provision for **Financial Investments measured at amortised cost** is determined as follows:

(₹ in Crores)

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31st March 2024	1,313.22	-	-	1,313.22
Expected credit loss rate	0.00%			
Carrying amount as at 31st March 2024 (net of impairment provision)	1,313.22			1,313.22
Gross Balance as at 31st March 2023	1,446.68	-	-	1,446.68
Expected credit loss rate	0.07%			
Carrying amount as at 31st March 2023 (net of impairment provision)	1,445.69			1,445.69

Level of Assessment - Aggregation Criteria

The Group recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration, the Group calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to **Retail Loans including Finance Lease** is, as follows:

Gross exposure reconciliation

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2022	47,167.53	9,139.39	4,882.62	61,189.54
Changes in opening balance due to currency fluctuation	(5.43)	(1.01)	(0.68)	(7.12)
Addition due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	2,556.95	(2,332.49)	(224.46)	-
- Transfers to Stage 2	(2,492.18)	2,602.10	(109.92)	-
- Transfers to Stage 3	(809.78)	(1,211.26)	2,021.04	-
- Loans that have been derecognised during the period	(6,906.22)	(2,200.86)	(1,593.71)	(10,700.79)
New loans originated during the year	40,720.61	695.36	231.84	41,647.81
Write-offs	(8.49)	(29.73)	(1,354.93)	(1,393.15)
Impact of changes on items within the same stage	(12,892.24)	(1,754.59)	(159.49)	(14,806.32)
Write down of identified assets as a result of impairment loss provision against equity investment in a subsidiary	(21.75)	-	-	(21.75)
Gross carrying amount balance as at 31st March 2023	**67,309.00**	**4,906.91**	**3,692.31**	**75,908.22**
Changes in opening balance due to currency fluctuation	10.49	6.10	4.19	20.78
Addition due to business combination	-	-	-	-

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(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1,054.19	(941.77)	(112.42)	-
- Transfers to Stage 2	(3,862.13)	3,945.18	(83.05)	-
- Transfers to Stage 3	(1,396.62)	(697.28)	2,093.90	-
- Loans that have been derecognised during the period	(8,870.25)	(1,299.63)	(1,250.64)	(11,420.52)
New loans originated during the year	48,370.38	755.97	309.15	49,435.50
Write-offs	(2.42)	(9.56)	(976.16)	(988.14)
Impact of changes on items within the same stage	(16,074.13)	(1,532.56)	(224.00)	(17,830.69)
Gross carrying amount balance as at 31st March 2024	**86,538.51**	**5,133.36**	**3,453.28**	**95,125.15**

Reconciliation of ECL balance

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2022	427.97	1,158.93	2,804.24	4,391.14
Changes in opening balance due to currency fluctuation	(0.08)	(0.04)	(0.11)	(0.23)
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	424.22	(296.09)	(128.13)	-
- Transfers to Stage 2	(22.95)	85.11	(62.16)	-
- Transfers to Stage 3	(7.55)	(153.54)	161.08	-
- Loans that have been derecognised during the period	(62.89)	(277.99)	(910.83)	(1,251.70)
New loans originated during the year	322.46	71.36	135.90	529.72
Write-offs	(0.08)	(3.78)	(780.61)	(784.47)
Impact of changes on items within the same stage	(546.14)	(64.02)	954.06	343.90
ECL allowance balance as at 31st March 2023	**534.97**	**519.94**	**2,173.45**	**3,228.36**
Changes in opening balance due to currency fluctuation	0.13	0.17	0.46	0.76
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	165.50	(100.23)	(65.27)	-
- Transfers to Stage 2	(30.78)	78.31	(47.53)	-
- Transfers to Stage 3	(11.11)	(74.34)	85.45	-
- Loans that have been derecognised during the period	(70.19)	(135.23)	(725.96)	(931.38)
New loans originated during the year	327.80	82.58	192.77	603.15

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Write-offs	(0.02)	(1.00)	(575.64)	(576.66)
Impact of changes on items within the same stage	(327.87)	214.54	1,143.37	1,030.04
ECL allowance balance as at 31st March 2024	**588.43**	**584.74**	**2,181.10**	**3,354.27**

The contractual amount outstanding on financial assets that has been written off by the Parent Company during the year ended 31st March 2024 and that were still subject to enforcement activity was ₹**1,006.22** crores (31st March 2023: ₹1,395.13 crores).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Residential Loans is, as follows:

Gross exposure reconciliation

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2022	4,718.71	2,023.72	861.02	7,603.45
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(406.19)	314.15	92.04	-
- Transfers to Stage 2	516.22	(850.62)	334.40	-
- Transfers to Stage 3	30.71	28.73	(59.44)	-
- Loans that have been derecognised during the period	(498.32)	(210.11)	(202.75)	(911.18)
New loans originated during the year	1,668.39	7.35	0.52	1,676.26
Write-offs	(0.42)	-	(299.83)	(300.25)
Impact of changes on items within the same stage	(662.41)	(233.02)	27.08	(868.35)
Gross carrying amount balance as at 31st March 2023	**5,366.69**	**1,080.20**	**753.04**	**7,199.93**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(211.50)	151.74	59.76	-
- Transfers to Stage 2	189.81	(305.69)	115.88	-
- Transfers to Stage 3	23.12	16.04	(39.16)	-
- Loans that have been derecognised during the period	(608.96)	(177.57)	(176.49)	(963.02)
New loans originated during the year	1,794.77	1.07	0.47	1,796.31
Write-offs	-	-	(113.25)	(113.25)
Impact of changes on items within the same stage	(594.12)	(167.43)	50.66	(710.89)
Gross carrying amount balance as at 31st March 2024	**5,959.81**	**598.36**	**650.91**	**7,209.08**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Reconciliation of ECL balance on Residential Loans

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2022	**94.82**	**242.65**	**237.14**	**574.61**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(27.81)	23.41	4.40	-
- Transfers to Stage 2	60.50	(103.89)	43.39	-
- Transfers to Stage 3	8.61	7.23	(15.84)	-
- Loans that have been derecognised during the period	(9.89)	(25.18)	(70.66)	(105.73)
New loans originated during the year	16.40	0.64	0.13	17.17
Write-offs	(0.01)	-	(69.43)	(69.44)
Impact of changes on items within the same stage	(90.33)	(50.31)	78.70	(61.94)
ECL allowance balance as at 31st March 2023	**52.29**	**94.55**	**207.83**	**354.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(2.67)	1.79	0.88	-
- Transfers to Stage 2	16.61	(26.74)	10.13	-
- Transfers to Stage 3	6.75	4.77	(11.52)	-
- Loans that have been derecognised during the period	(6.63)	(15.52)	(57.57)	(79.72)
New loans originated during the year	4.03	0.17	0.14	4.34
Write-offs	-	-	(31.20)	(31.20)
Impact of changes on items within the same stage	(54.46)	(9.77)	91.91	27.68
ECL allowance balance as at 31st March 2024	**15.92**	**49.25**	**210.60**	**275.78**

The decrease in ECL of the portfolio was on account of better recoveries during the year and appropriation of ECL provision of written off assets.

The contractual amount outstanding on financial assets that have been written off during the year ended 31st March 2024 and are under enforcement activity was ₹66.25 Crores (31st March 2023 : ₹168.26 Crores).

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows:

Gross exposure reconciliation

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31 March 2022	2,015.08	80.42	44.97	2,140.48
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	53.12	(52.62)	(0.50)	-
- Transfers to Stage 2	(14.93)	15.36	(0.43)	-
- Transfers to Stage 3	(8.22)	(6.08)	14.30	-
- Loans that have been derecognised during the period	(1,237.62)	(14.16)	(3.34)	(1,255.12)
New loans originated during the year	3,871.68	4.71	2.18	3,878.57
Write-offs	-	(1.69)	(5.16)	(6.85)
Impact of changes on items within the same stage	(292.67)	(5.41)	(2.32)	(300.40)
ECL allowance balance as at 31st March 2023	**4,386.44**	**20.53**	**49.70**	**4,456.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	-
- Transfers to Stage 2	(42.40)	43.43	(1.03)	-
- Transfers to Stage 3	(30.33)	(7.40)	37.73	-
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at 31st March 2024	**4,728.35**	**40.94**	**43.11**	**4,812.41**

Reconciliation of ECL balance

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2022	**7.43**	**11.03**	**23.34**	**41.80**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	7.33	(6.93)	(0.40)	-
- Transfers to Stage 2	(0.11)	0.46	(0.35)	-
- Transfers to Stage 3	(0.06)	(1.39)	1.45	-
- Loans that have been derecognised during the period	(2.08)	(1.62)	(2.43)	(6.13)
New loans originated during the year	13.78	0.35	1.37	15.50
Write-offs	-	(0.23)	(3.28)	(3.51)
Impact of changes on items within the same stage	(10.44)	0.32	8.67	(1.45)
ECL allowance balance as at 31st March 2023	**15.85**	**1.99**	**28.37**	**46.21**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	-
- Transfers to Stage 2	(0.23)	0.88	(0.65)	-
- Transfers to Stage 3	(0.15)	(0.81)	0.96	-
- Loans that have been derecognised during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	-	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at 31st March 2024	**8.08**	**5.02**	**19.37**	**32.47**

The contractual amount outstanding on financial assets that has been written off by the Group during the year ended 31st March 2024 and that were still subject to enforcement activity was ₹**40.48 Crores** (31st March 2023: ₹7.46 Crores).

The increase in ECL of the portfolio was driven by increase in the gross size of the portfolio.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments of Retail and Residential loans is, as follows:

Gross exposure reconciliation

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2022	472.93	4.76	0.06	477.75
Changes due to loans recognised in the opening balance that have:				
New Exposures	515.39	0.05	-	515.43
Exposure derecognised or matured/ lapsed (excluding write-offs)	(470.21)	(4.63)	(0.07)	(474.91)
- Transfers to Stage 1	(0.04)	0.03	0.00	-
- Transfers to Stage 2	0.14	(0.14)	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(13.21)	(0.01)	(0.00)	(13.22)
Gross carrying amount balance as at 31st March 2023	**504.99**	**0.06**	**(0.00)**	**505.05**
Changes due to loans recognised in the opening balance that have:				
New Exposures	559.62	0.03	-	559.64
Exposure derecognised or matured/ lapsed (excluding write-offs)	(569.03)	(0.04)	(0.00)	(569.07)
- Transfers to Stage 1	(0.80)	0.71	0.09	(0.00)
- Transfers to Stage 2	0.01	(0.01)	0.00	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(24.79)	(0.13)	-	(24.92)
Gross carrying amount balance as at 31st March 2024	**470.00**	**0.62**	**0.09**	**470.71**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Reconciliation of ECL balance on loan commitments

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2022	**3.24**	**0.40**	**0.02**	**3.66**
Changes due to loans recognised in the opening balance that have:				
New Exposures	3.77	0.00	-	3.77
Exposure derecognised or matured/ lapsed (excluding write-offs)	-	-	-	-
- Transfers to Stage 1	(0.00)	0.00	-	-
- Transfers to Stage 2	0.01	(0.01)	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(3.17)	(0.39)	(0.02)	(3.58)
Impact of changes on items within the same stage	(0.06)	0.00	0.00	(0.05)
ECL allowance balance as at 31st March 2023	**3.79**	**0.01**	**0.00**	**3.80**
Changes due to loans recognised in the opening balance that have:				
New Exposures	0.90	0.00	-	0.91
Exposure derecognised or matured/ lapsed (excluding write-offs)	0.02	-	-	0.02
- Transfers to Stage 1	(0.44)	0.01	0.00	(0.43)
- Transfers to Stage 2	0.00	(0.00)	0.00	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(2.99)	(0.00)	(0.00)	(2.99)
Impact of changes on items within the same stage	(0.29)	0.02	0.02	(0.24)
ECL allowance balance as at 31st March 2024	**1.00**	**0.04**	**0.03**	**1.06**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortised cost is, as follows:

Gross exposure reconciliation

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2022	1,538.24	-	-	1,538.24
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(496.66)	-	-	(496.66)
New Investments originated during the year	412.43	-	-	412.43
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(7.33)	-	-	(7.33)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2023	**1,446.68**	**-**	**-**	**1,446.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(163.42)	-	-	(163.42)
New Investments originated during the year	124.98	-	-	124.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	29.96	-	-	29.96
Gross carrying amount balance as at 31st March 2024	**1,438.20**	**-**	**-**	**1,438.20**

Reconciliation of ECL balance

(₹ in Crores)

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2022	1.61	-	-	1.61
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(1.61)	-	-	(1.61)
New Investments originated during the year	0.98	-	-	0.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2023	**0.98**	**-**	**-**	**0.98**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(0.98)	-	-	(0.98)
ECL allowance balance as at 31st March 2024	**-**	**-**	**-**	**-**

Notes forming part of the Consolidated Financial Statements

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Significant changes in the gross carrying value that contributed to change in loss allowance

The Group mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to companies provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Companies risk.

Concentration of Credit Risk

Group's loan portfolio is predominantly to finance retail automobile and home loans. The Group manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

(₹ in Crores)

Particulars	As at 31st March 2024	As at 31st March 2023
Concentration by Geographical region in India:		
North	34,300.30	26,095.42
East	21,138.72	18,071.95
West	31,846.11	26,392.00
South	22,498.98	19,361.37
	1,09,784.11	**89,920.74**
Concentration by Geographical region outside India:		
Sri Lanka	**241.64**	**184.51**
	241.64	**184.51**
Total Gross Carrying Value	**1,10,025.75**	**90,105.25**

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers, residential property in case of housing loan and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking *pari-passu* and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Group monitors its exposure to retail loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a. on reducing balance basis and the value of the collateral of Stage 3 Retail loans is based on the Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held. The value of the collateral for residential housing loans is typically based on the collateral value at origination.

Gross value of total secured loans to value of collateral

(₹ in Crores)

Loan To Value	Gross Value of Secured Retail loans		Gross Value of total Residential loans		Gross Value of Secured SME loans	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Upto 50%	6,381.86	5,565.97	2,845.03	2,698.13	1,720.06	1,088.20
51 - 70%	13,688.35	11,265.45	2,440.42	2,684.80	917.03	724.50
71 - 100%	57,039.81	44,018.02	1,922.68	1,816.01	300.27	1,014.19
Above 100%	17,397.09	14,211.19	-	-	233.26	81.41
	94,507.11	**75,060.63**	**7,208.13**	**7,198.94**	**3,170.63**	**2,908.30**

Notes forming part of the Consolidated Financial Statements

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Gross value of credit impaired loans to value of collateral

(₹ in Crores)

Loan To Value	Gross Value of Retail loans in stage 3		Gross Value of Residential loans in stage 3		Gross Value of SME loans in stage 3	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Upto 50%	103.22	54.48	300.05	323.39	7.46	14.92
51 - 70%	122.78	82.86	264.11	329.64	1.34	0.89
71 - 100%	482.66	265.64	86.75	100.04	1.30	21.71
Above 100%	2,744.63	3289.33	-	0.00	33.01	12.17
	3,453.28	**3,692.31**	**650.91**	**753.07**	**43.10**	**49.69**

Quantitative Information of Collateral

The below tables provide an analysis of the current fair values of collateral held for Stage 3 assets. The value of collateral has not been considered while recognising the loss allowances.

Fair value of collateral held against Credit Impaired assets

(₹ in Crores)

31-Mar-24	Fair value of collateral held against Credit Impaired assets								
	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	3,453.28	2,588.15	-	-	-	(381.64)	2,206.51	1,246.77	2,181.10
Residential Loans	650.91	-	-	1,402.48	-	763.41	2,165.89	(1,514.98)	210.60
SME Loans	43.10	-	25.98	43.52	0.07	(62.88)	6.69	36.42	19.37

(₹ in Crores)

31-Mar-23	Fair value of collateral held against Credit Impaired assets								
	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	3,692.31	2,184.15	-	-	-	(220.15)	1,964.00	1,728.31	2,173.45
Residential Loans	753.07	-	-	1,661.32	-	(918.23)	743.09	9.97	207.83
SME Loans	49.69	1.00	37.45	109.41	0.76	(109.10)	39.52	10.17	28.37

51.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The holding company also provides credit lines to its subsidiaries as and when necessary.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Non-derivative financial liabilities				
31st March 2024				
Trade Payable :	1,743.53	-	-	-
Debt Securities :				
- Principal	10,454.27	12,217.77	1,038.69	6,177.68
- Interest	2,123.66	2,704.14	1,116.28	1,502.63
Borrowings (Other than Debt Securities) :				
- Principal	19,387.42	27,985.68	9,305.32	111.12
- Interest	3,412.80	3,555.18	510.50	0.79
Deposit :				
- Principal	2,652.93	3,592.21	952.05	-
- Interest	516.93	684.51	254.24	-
Subordinated liabilities :				
- Principal	283.75	1,284.89	564.59	2,333.22
- Interest	379.10	645.73	453.05	712.21
Other financial liabilities :	2,114.71	357.53	159.00	142.93
Total	**43,069.10**	**53,027.64**	**14,353.72**	**10,980.58**
31st March 2023				
Trade Payable :	1,286.01	-	-	-
Debt Securities :				
- Principal	10,475.26	9,746.75	1,687.65	6,223.10
- Interest	2,554.59	2,437.14	1,294.43	2,010.91
Borrowings (Other than Debt Securities) :				
- Principal	17,629.18	19,946.64	6,570.28	17.86
- Interest	2,561.61	2,444.77	419.22	0.57
Deposit :				
- Principal	1,890.92	3,145.28	439.77	-
- Interest	406.76	676.69	141.39	-
Subordinated liabilities :				
- Principal	140.14	519.32	1,587.25	1,678.73
- Interest	335.31	622.12	505.64	561.00
Other financial liabilities :	2,376.27	319.39	136.60	149.92
Total	**39,656.03**	**39,858.10**	**12,782.22**	**10,642.08**

b) Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

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Gross settled:

(₹ in Crores)

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
31st March 2024				
Gross settled:				
Foreign exchange forward contracts				
- Payable	0.97	199.74	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	3.15	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	164.23	-	-
- Receivable	-	-	-	-
Total Payable	**0.97**	**367.12**	**-**	**-**
Total Receivable	**-**	**-**	**-**	**-**
31st March 2023				
Gross settled:				
Foreign exchange forward contracts				
- Payable	0.13	20.65	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	23.61	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	50.09	101.83	-	-
- Receivable	-	-	-	-
Total Payable	**50.22**	**146.09**	**-**	**-**
Total Receivable	**-**	**-**	**-**	**-**

51.4 a) Financial Instruments regularly measured using Fair Value - recurring items

(₹ in Crores)

Type of instrument		Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
		Financial assets / financial liabilities	Category	As at 31st March 2024	As at 31st March 2023					
1)	Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL / FVOCI	(180.97)	(35.87)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2)	Currency options	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(154.30)	(144.83)	Level 2	Black Scholes valuation model	Strike rate, spot rate, time to maturity, volatility and risk free interest rate		
3)	Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	237.34	220.88	Level 1	Quoted market price			

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Type of instrument		Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
		Financial assets / financial liabilities	Category	As at 31st March 2024	As at 31st March 2023					
4)	Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	757.41	94.12	Level 1	Quoted market price			
5)	Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	967.73	1,973.02	Level 1	Quoted market price			
6)	Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	0.22	0.06	Level 3	Cost			
7)	Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	42.39	42.39	Level 3	Discounted Cash Flow	The discounted cash flow method used the future free cash flows of the Company, discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
8)	Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	5,044.39	5,237.96	Level 1	Quoted market price			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(₹ in Crores)

Particulars	Unquoted Equity investment	Convertible debentures	Total
31st March 2024			
Opening balance	42.38	-	42.38
Total gains or losses recognised:			
In Profit or loss			
a) in profit or loss	-	-	-
b) in other comprehensive income	-	-	-
Fair value of -			
Purchases made during the year	-	-	-
Disposals made during the year	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Closing balance	**42.38**	**-**	**42.38**
31st March 2023			
Opening balance	42.38	-	42.38
Total gains or losses recognised:			
In Profit or loss			

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Unquoted Equity investment	Convertible debentures	Total
a) in profit or loss			
b) in other comprehensive income	-	-	-
Fair value of -			
Purchases made during the year		-	-
Issues made during the year			
Disposals made during the year	-		-
Sale made during the year			
Transfers into Level 3			
Transfers out of Level 3			
Closing balance	**42.38**	**-**	**42.38**

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Group has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

(₹ in Crores)

Particulars	31st March 2024	31st March 2023
Equity investment in Smartshift Logistic Solutions Private Limited (formerly Known as Orizonte Business Solutions Limited)		
Fair Value of Investments	**42.38**	**42.38**

There are no disposal of investment during the year ended 31st March 2024 and 2023 respectively.

d) Financial Instruments measured at amortised cost

(₹ in Crores)

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31st March 2024					
Financial assets					
a) Cash and cash equivalent	903.54	903.54	903.54	-	-
b) Bank balances other than cash and cash equivalent	2,551.47	2,551.47	2,551.47	-	-
c) Trade Receivables	173.35	173.16	-	173.16	-
d) Loans and advances to customers	1,06,343.96	1,05,817.10	-	-	1,05,817.10
e) Financial investments - at amortised cost	1,438.20	1,484.73	1,312.71	172.02	-
f) Other financial assets	871.66	891.95	-	891.95	-
Total	**1,12,282.18**	**1,11,821.95**	**4,767.72**	**1,237.13**	**1,05,817.10**
Financial liabilities					
a) Trade Payables	1,743.53	1,621.59	-	1,621.59	-
b) Debt securities	29,888.41	31,116.45	31,116.45	-	-
c) Borrowings other than debt securities	56,789.54	56,610.25	-	56,610.25	-
d) Deposits	7,174.73	7,662.74	-	7,662.74	-
e) Subordinated Liabilities	4,466.45	4,810.13	4,810.13	-	-
f) Other financial liability	2,774.17	2,802.36	-	2,802.36	-
Total	**1,02,836.83**	**1,04,623.52**	**35,926.58**	**68,696.94**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31st March 2023					
Financial assets					
a) Cash and cash equivalent	586.53	586.53	586.53	-	-
b) Bank balances other than cash and cash equivalent	3,480.38	3,480.38	3,480.38	-	-
c) Trade Receivables	98.35	97.52	-	97.52	-
d) Loans and advances to customers	86,456.07	85,981.92	-	-	85,981.92
e) Financial investments - at amortised cost	1,445.70	1,460.38	1,315.15	145.23	-
f) Other financial assets	1,663.92	1,719.68	-	1,719.68	-
Total	**93,730.95**	**93,326.41**	**5,382.06**	**1,962.43**	**85,981.92**
Financial liabilities					
a) Trade Payables	1,286.01	1,286.01	-	1,286.01	-
b) Debt securities	27,912.79	28,512.10	28,512.10	-	-
c) Borrowings other than debt securities	44,154.40	44,430.39	-	44,430.39	-
d) Deposits	5,458.74	5,871.17	-	5,871.17	-
e) Subordinated Liabilities	3,902.63	3,937.59	3,937.59	-	-
f) Other financial liability	2,965.53	2,768.25	-	2,768.25	-
Total	**85,680.10**	**86,805.52**	**32,449.69**	**54,355.83**	**-**

There were no transfers between Level 1 and Level 2.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables and investment & borrowings in commercial papers. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

Financial Investments

For Government Securities, the market value of the respective Government Stock as on date of reporting has been considered for fair value computations. Since market quotes are not available in the absence of any trades, the carrying amount of Secured redeemable non-convertible debentures is considered as the fair value.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure and cumulative/ non-cumulative scheme.

Except for the above, carrying value of other financial assets/liabilities represent reasonable estimate of fair value.

52 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

(₹ in Crores)

Assets	31st March 2024			31st March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	903.54	-	903.54	586.53	-	586.53
Bank balance	2,551.47	-	2,551.47	3,480.38	-	3,480.38
Derivative financial instruments	-	-	-	-	-	-
Trade receivables	173.35	-	173.35	98.35	-	98.35
Loans	38,808.53	67,535.43	1,06,343.96	33,881.79	52,574.28	86,456.07
Investments	2,862.02	6,736.44	9,598.46	3,136.10	6,927.03	10,063.13
Other financial assets	172.40	699.26	871.66	198.69	1,465.23	1,663.92
Current tax assets (Net)	-	733.47	733.47	-	568.50	568.50
Deferred tax Assets (Net)	-	801.80	801.80	-	745.80	745.80
Property, plant and equipment	-	982.97	982.97	-	855.10	855.10
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	105.28	0.16	105.44	-	2.64	2.64
Other Intangible assets	-	24.99	24.99	-	15.50	15.50
Other non-financial assets	526.22	98.46	624.68	318.10	230.75	548.85
Total Assets	**46,102.81**	**77,612.98**	**1,23,715.79**	**41,699.94**	**63,384.83**	**1,05,084.77**
Liabilities						
Financial Liabilities						
Derivative financial instruments	0.93	334.34	335.27	49.36	131.34	180.70
Trade Payables	-	-	-	-	-	-
i) total outstanding dues of micro enterprises and small enterprises	0.42	-	0.42	0.04	-	0.04
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,678.60	-	1,678.60	1,246.00	-	1,246.00
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	2.80	-	2.80	2.62	-	2.62
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	61.71	-	61.71	37.35	-	37.35
Debt Securities	10,454.27	19,434.14	29,888.41	10,316.26	17,596.53	27,912.79

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Assets	31st March 2024			31st March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings (Other than Debt Securities)	19,387.42	37,402.12	56,789.54	17,411.40	26,743.00	44,154.40
Deposits	2,652.93	4,521.80	7,174.73	1,888.98	3,569.76	5,458.74
Subordinated Liabilities	283.75	4,182.70	4,466.45	140.12	3,762.51	3,902.63
Other financial liabilities	2,092.23	681.94	2,774.17	2,322.22	643.31	2,965.53
Non-Financial Liabilities						
Current tax liabilities (Net)	128.60	-	128.60	60.23	13.92	74.15
Provisions	155.73	99.00	254.73	3.61	305.73	309.34
Other non-financial liabilities	180.35	5.15	185.50	129.26	9.78	139.04
Total Liabilities	**37,079.74**	**66,661.19**	**1,03,740.93**	**33,607.45**	**52,775.88**	**86,383.33**
Net	**9,023.07**	**10,951.79**	**19,974.86**	**8,092.49**	**10,608.95**	**18,701.44**
Other undrawn commitments	**645.81**	**-**	**645.81**	**1,054.35**	**-**	**1,054.35**
Total commitments	**645.81**	**-**	**645.81**	**1,054.35**	**-**	**1,054.35**

53 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	**Holding Company**	Mahindra & Mahindra Limited
b)	**Fellow Subsidiaries :**	Mahindra USA, Inc
	(entities with whom the Company has transactions)	NBS International Limited
		Mahindra First Choice Wheels Limited
		Mahindra Defence Systems Limited
		Mahindra Integrated Business Solutions Private Limited
		Meru Mobility Tech Private Limited
		Mahindra Construction Co. Limited
		Bristlecone India Limited
		Mahindra Water Utilities Limited
		Gromax Agri Equipment Limited
		Mahindra Electric Mobility Limited
		Mahindra Holidays & Resorts India Limited
		New Democratic Electoral Trust
		Mahindra Susten Private Limited
		Mahindra & Mahindra Contech Private Limited
		Mahindra Two Wheelers Limited
		Mahindra First Choice Services Limited
		Mahindra Summit Agriscience Limited
		Swaraj Engines Limited
		Martial Soleren Private Limited
		Mahindra Heavy Engines Limited
		Mahindra Teqo Private Limited
		Fifth Gear Ventures Limited
		Carnot Technologies Private Limited
		Naandi Community Water Services Private Limited
		Mahindra Solarize Private Limited
		Mahindra Agri Solutions Limited

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	Mahindra HZPC Private Limited
	Mahindra University
	Mahindra Last Mile Mobility Limited
	Mahindra Lifespace Developers Limited
	Kanha & Co.
c) Joint Venture(s) / Associate(s): (entities on whom control is exercised)	Mahindra Finance USA, Inc
	Mahindra Manulife Investment Management Private Limited
	Mahindra Manulife Trustee Private Limited
d) Joint Venture(s) / Associate(s) of Holding Company: (entities with whom the Company has transactions)	Tech Mahindra Limited
	Smartshift Logistics Solutions Private Ltd.
	PSL Media & Communications Ltd
e) Key Management Personnel: (where there are transactions)	Dr. Anish Shah
	Mr. Ramesh Iyer *(Ceased to be a director w.e.f. 29 April 2024)*
	Mr. Raul Rebello
	Mr. Dhananjay Mungale
	Mr. C. B. Bhave
	Ms. Rama Bijapurkar
	Mr. Milind Sarwate
	Dr. Rebecca Nugent
	Mr. Siddhartha Mohanty *(Ceased to be a Director w.e.f. 12 May 2023)*
	Mr. Diwakar Gupta
	Mr.Ashwani Ghai *(Appointed as Director w.e.f. 23 June 2023)*
	Mr. Amar Jyoti Barua *(Appointed as Director w.e.f. 23 July 2023)*
	Mr. Amit Kumar Sinha *(Ceased to be a Director w.e.f. 28 July 2023)*
	Mr. Amit Raje *(Ceased to be a Director w.e.f 28 July 2022)*
f) Relatives of Key Management Personnel (where there are transactions)	Ms. Janaki Iyer
	Mr. Risheek Iyer
	Ms. Girija Subramanian

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
Subvention / Incentive income										
- Mahindra & Mahindra Limited	28.61	72.97	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited			7.94	-						
- Mahindra Electric Mobility Limited	-	-	-	2.35	-	-	-	-	-	-
Lease rental income										
- Mahindra & Mahindra Limited	100.64	59.08	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	0.30	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	0.01	0.04	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	0.39	0.13	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	0.39	0.29	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	0.28	0.21	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.61	0.19	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	0.13	0.17	-	-	-	-	-	-
- Mahindra Integrated Business solution	-	-	0.24	0.08	-	-	-	-	-	-
- Mahindra Teqo	-	-	0.17	0.08	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	1.44	0.09	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	0.10	0.10	-	-	-	-	-	-
- Mahindra HZPC Private Limited	-	-	0.06	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	0.74	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.03	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	0.14	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.51	-	-	-	-	-	-	-
- Mahindra Agri Solutions Limited	-	-	0.67	-	-	-	-	-	-	-
Interest income										
- Mahindra & Mahindra Limited	1.85	1.47	-	-	-	-	-	-	-	-
Income from sharing services										
- Mahindra & Mahindra Limited	-	0.18	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	0.59	0.62	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	-	0.01	-	-	-	-
Other Income										
- Mahindra & Mahindra Limited	0.88	-	-	-	-	-	-	-	-	-
Interest expense										
- Mahindra & Mahindra Limited	0.05	0.47	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	4.10	4.10	-	-	-	-
- Tech Mahindra Limited	-	-	2.43	10.80	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	0.15	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	15.00	8.02	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.07	0.04	-	-	-	-	-	-

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(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.06	0.05	-	-
- Mr Raul Rebello	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	0.16	0.28
Other expenses										
- Mahindra & Mahindra Limited	53.25	56.61	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	24.63	23.13	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	1.52	2.28	-	-	-	-	-	-
- Bristlecone India Limited	-	-	0.24	0.02	-	-	-	-	-	-
- NBS International Limited	-	-	5.15	1.53	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited.	-	-	69.65	58.10	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.16	0.03	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	0.01	0.02	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	0.05	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	12.27	-	-	-	-	-	-	-
- Others	-	-	0.06	0.66	-	-	-	-	-	-
- Kanha & Co.	-	-	2.28	-	-	-	-	-	-	-
Remuneration										
- Mr. Ramesh Iyer	-	-	-	-	-	-	8.15	7.09	-	-
- Mr Raul Rebello	-	-	-	-	-	-	3.90	-	-	-
- Mr Amit Raje	-	-	-	-	-	-	-	8.37	-	-
Sitting fees and commission										
- Mr C. B. Bhave	-	-	-	-	-	-	0.53	0.52	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	0.53	0.53	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	0.50	0.48	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	0.57	0.56	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	0.46	0.42	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	0.50	0.12	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	0.30	-	-	-
- Mr Siddhartha Mohanty	-	-	-	-	-	-	0.04	-	-	-
Reimbursement from parties										
- Mahindra & Mahindra Limited	3.05	16.22	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	0.06	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	3.10	4.09	-	-	-	-	-	-
Reimbursement to parties										
- Mahindra & Mahindra Limited	1.22	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	0.01	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	2.65	2.56	-	-	-	-	-	-
- NBS International Limited	-	-	0.29	-	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)										
- Mahindra & Mahindra Limited	151.88	134.95	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	9.69	10.19	-	-	-	-	-	-

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for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
Sale of fixed assets										
- Mahindra & Mahindra Limited	0.23	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.22	-	-	-	-	-	-	-
Fixed deposits taken										
- Mahindra & Mahindra Limited	-	2.10	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.65	0.86	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	135.00	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.85	0.80	-	-
- Mr Raul Rebello	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	2.17	2.18
Fixed deposits matured										
- Mahindra & Mahindra Limited	4.19	13.01	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	-	1.55	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.80	0.91	-	-
- Others	-	-	-	-	-	-	-	-	2.05	1.83
Dividend paid										
- Mahindra & Mahindra Limited	386.64	231.98	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.98	0.59	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	0.02	0.01	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	0.01	0.00	-	-
- Others	-	-	-	-	-	-	-	-	0.00	0.00
Inter corporate deposits repaid / matured										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	200.00	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	140.00	-	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	4.26	-	-	-	-	-	-

Key Management Personnel as defined in Ind AS 24

iii) Balances as at the end of the year:

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
Balances as at the end of the period										
Receivables										
- Mahindra & Mahindra Limited	8.77	22.65	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	0.40	0.92	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	-	0.01	-	-	-	-
- Mahindra First Choice Services Limited	-	-	-	0.06	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Swaraj Engines Limited	-	-	0.00	0.04	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	0.03	-	-	-	-	-	-
- Mahindra Teqo	-	-	0.01	0.01	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.03	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.08	-	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	0.00	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	0.14	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.45	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	2.61	-	-	-	-	-	-	-
- Mahindra Agri Solutions Limited	-	-	0.02	-	-	-	-	-	-	-
Investments										
- Mahindra Finance USA, Inc.	-	-	-	-	210.55	210.55	-	-	-	-
- Mahindra Manulife Investment Management Private. Limited.	-	-	-	-	195.30	195.30	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	0.50	0.50	-	-	-	-
- New Democratic Electoral Trust	-	-	0.02	0.02	-	-	-	-	-	-
- Smartshift Logistics Solutions Private Limited	-	-	9.50	9.50	-	-	-	-	-	-
Subordinate debt held (including interest accrued but not due)										
- Mahindra Manulife Investment Management Private. Limited.	-	-	-	-	48.58	48.56	-	-	-	-
Payables										
- Mahindra & Mahindra Limited	3.94	1.76	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	2.75	5.77	-	-	-	-	-	-
- Mahindra USA, Inc.	-	-	0.42	0.37	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	1.85	1.25	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	0.59	-	-	-	-	-	-
- NBS International Limited	-	-	0.13	0.00	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.90		-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	0.38		-	-	-	-	-	-
- Bristlecone India Limited	-	-	0.02		-	-	-	-	-	-
- Others	-	-	0.00	-	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)										
- Tech Mahindra Limited	-	-	-	217.26	-	-	-	-	-	-
- Mahindra Holidays and Resorts India Limited	-	-	93.99	246.25	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)										

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries / Joint Ventures / Associates of Holding Company		Joint Venture(s) / Associate(s)		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023	Year ended 31st March 2024	Year ended 31st March 2023
- Mahindra & Mahindra Limited	-	4.48	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.88	0.21	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	145.63	5.29	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.86	0.01	-	-
- Mr Raul Rebello							0.00			
- Others	-	-	-	-	-	-	-	-	2.38	0.06

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31st March 2024

(₹ in Crores)

Particulars	Relationship	Balance as on 1 April 2023	Advances / investments	Repayments/ sale	Balance as on 31st March 2024
(A) Loans and advances					
		-	-	-	-
(B) Investments:					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Smartshift Logistics Solutions Pvt. Ltd.	Fellow Associate	9.50	-	-	9.50
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		415.87	**-**	**-**	**415.87**
Total		**415.87**	**-**	**-**	**415.87**

Notes :

i) Above loans & advances and investments have been given for general business purposes.

ii) There were no guarantees given / securities provided during the year.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

As at 31st March 2023

(₹ in Crores)

Particulars	Relationship	Balance as on 1 April 2022	Advances / investments	Repayments/ sale	Balance as on 31st March 2023
(A) Loans and advances					
		-	**-**	**-**	**-**
(B) Investments:					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Smartshift Logistics Solutions Pvt. Ltd.	Fellow Associate	9.50	-	-	9.50
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	0.01	-	0.02
		415.87	**0.01**	**-**	**415.87**
Total		**415.87**	**0.01**	**-**	**415.87**

Notes :

i) Above loans & advances and investments have been given for general business purposes.

ii) There were no guarantees given / securities provided during the year.

v) Details of related party transactions with Key Management Personnel (KMP) are as under :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

(₹ in Crores)

Name of the KMP	Nature of transactions	31st March 2024	31st March 2023
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a director w.e.f 29th April 2024)	Gross Salary including perquisites	7.69	6.77
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.46	0.39
		8.15	**7.16**
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed w.e.f. 1st May 2023)	Gross Salary including perquisites	3.67	-
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.23	-
		3.90	**-**
Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit)			
(Ceased to be a director w.e.f 28th July 2022)	Gross Salary including perquisites	-	4.02
	Commission	-	-
	Stock Option	-	4.35
	Others - Contribution to Funds	-	0.07
		-	**8.44**
Mr. Dhananjay Mungale (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.17	0.18
		0.50	**0.48**
Ms. Rama Bijapurkar (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.14	0.13
		0.47	**0.43**
Mr. C.B. Bhave (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.17	0.17
		0.50	**0.47**
Mr. Milind Sarwate (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.21	0.21
		0.54	**0.51**
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.33	0.30
	Sitting fees	0.10	0.07
		0.43	**0.37**
Diwakar Gupta (Independent Director)			
(Appointed w.e.f. 1st January 2023)	Commission	0.08	-
	Sitting fees	0.15	0.03
		0.23	**0.03**
Siddharta Mohanty (LIC of India representative)			
(Ceased to be a director w.e.f 12th May 2023)	Commission	0.31	-
	Sitting fees	-	-
		0.31	**-**
Ashwani Ghai (LIC of India representative)			
(Appointed w.e.f. 23rd June 2023)	Commission	-	-
	Sitting fees	0.04	-
		0.04	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

54 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest :

a) Details of Group's subsidiaries at the end of the reporting period as are follows:

(₹ in Crores)

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31st March 2024	31st March 2023
Mahindra Insurance Brokers Limited (MIBL)*	India	100.00%	80.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	98.88%	99.04%
Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	India	100.00%	100.00%
Mahindra Rural Housing Finance Limited Employee Welfare Trust	India	100.00%	100.00%
Mahindra Finance CSR Foundation	India	100.00%	100.00%
Mahindra Ideal Finance Ltd	Sri Lanka	58.20%	58.20%

*Pursuant to Share Purchase Agreement dated 21st October 2022 entered into by the Parent with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) and on receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI), the Parent has completed the acquisition of 20,61,856 Equity shares of ₹10 each of MIBL, at a price of ₹1001 per share on 22nd September 2023 involving a pay-out of ₹206.39 Crore. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent effective from 22nd September 2023.

b) Details of Group's associate / joint venture at the end of the reporting period are as follows:

(₹ in Crores)

Name of the Associate / Joint Venture	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31st March 2024	31st March 2023
Mahindra Manulife Investment Management Private. Limited (Joint Venture)	India	51.00%	51.00%
Mahindra Manulife Trustee Company Private Limited (Joint Venture)	India	51.00%	51.00%
Mahindra Finance USA, LLC (Associate)	USA	49.00%	49.00%

c) Details of Non-Wholly Owned Subsidiaries that have material Non Controlling Interest:

(₹ in Crores)

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and voting rights held by Non-controlling interests		Profit / (Loss) (including OCI) allocated to Non-controlling interest		Accumulated Non-controlling interest	
		31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Mahindra Insurance Brokers Limited (Refer note 41)	India	0.00%	20.00%	-	6.86	-	106.64
Mahindra Rural Housing Finance Limited	India	1.12%	0.96%	0.04	0.19	16.67	14.24
Mahindra Ideal Finance Limited (Refer note 40)	Sri Lanka	41.80%	41.80%	1.07	0.84	24.94	20.47
				1.11	**7.89**	**41.61**	**141.35**

The Company has written put option for acquiring ownership interest held by Non Controlling Interest in the above mentioned subsidiaries.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

d) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and considered in consolidated financial statements:

(₹ in Crores)

Particulars	Mahindra Insurance Brokers Limited		Mahindra Rural Housing Finance Limited		Mahindra Ideal Finance Limited (Refer note 40)	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Financial Assets	740.47	582.70	7,930.36	8,421.50	329.24	205.02
Non Financial Assets	163.27	99.55	300.55	296.27	21.92	14.34
Financial Liabilities	111.48	101.73	6,723.29	7,214.82	267.39	146.95
Non Financial Liabilities	139.70	47.32	19.53	21.32	2.37	1.69
Equity interest attributable to the owners*	-	426.56	1,471.40	1,467.39	47.38	41.16
Non-controlling interest*	-	106.64	16.67	14.24	34.03	29.56
Total Income	1,094.95	426.51	1,294.44	1,349.80	59.86	43.70
Expenses (including tax expenses)	971.43	392.07	1,290.83	1,328.05	57.17	41.72
Profit / (Loss) for the year	123.52	34.44	3.60	21.75	2.69	1.98
Total Comprehensive Income for the year	122.97	34.31	3.75	19.88	2.55	2.01
Total Comprehensive Income attributable to the owners of the Company	122.97	27.45	3.71	19.69	1.48	1.17
Total Comprehensive Income attributable to the Non-controlling interest	-	6.86	0.04	0.19	1.07	0.84
Dividends paid to Non-controlling interest	0.72	1.03	-	-	-	-
Opening Cash & Cash Equivalents	17.32	10.14	314.94	423.69	4.13	3.51
Closing Cash & Cash Equivalents	12.52	17.32	576.73	314.94	3.08	4.13
Net Cash inflow / (outflow) - includes Foreign currency translation	(4.80)	7.18	261.79	(108.75)	(1.06)	0.62

* The Equity interest attributable to the owners and Non-controlling interest for MIFL is excluding the impairment loss provision adjusted against identified assets.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

e) Summarised financial information in respect of each of the Group's associate and joint venture that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations and are based on their standalone financial statements:

(₹ in Crores)

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2024	2023	2024	2023	2024	2023
Financial Assets	205.12	225.88	1.84	1.32	9,757.44	9,374.75
Non Financial Assets	25.63	23.06	0.00	0.07	28.99	31.26
Financial Liabilities	26.84	23.40	0.02	0.02	8,123.73	7,926.01
Non Financial Liabilities	15.45	9.52	0.04	0.05	18.00	-
Equity interest attributable to the owners	96.11	110.17	0.91	0.67	805.91	725.20
Non-controlling interest	92.35	105.85	0.87	0.65	838.80	754.80
Total Interest Income	10.49	10.94	0.00	0.00	644.21	497.36
Other income	53.05	33.18	1.17	0.81	28.83	22.61
Finance Costs	1.19	0.53	-	-	302.06	201.55
Depreciation and amortisation	4.77	2.58	0.00	0.00	-	-
Other expenses	84.85	71.87	0.57	0.65	181.78	159.64
Income tax expense	-	-	0.14	0.02	46.80	38.39
Profit / (Loss) for the year	(27.27)	(30.86)	0.46	0.14	142.40	120.39
Total Comprehensive Income for the year	(27.56)	(30.78)	0.46	0.14	142.40	120.39
Total Comprehensive Income attributable to the owners of the Company	(14.06)	(15.70)	0.23	0.07	69.78	58.99
Total Comprehensive Income attributable to the Non-controlling interest	(13.50)	(15.08)	0.23	0.07	72.63	61.40
Opening Cash & Cash Equivalents	0.10	0.12	0.01	0.02	50.86	98.35
Closing Cash & Cash Equivalents	0.08	0.10	0.03	0.01	16.59	50.86
Net Cash inflow / (outflow)	(0.02)	(0.02)	0.02	(0.01)	(34.27)	(47.49)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate and joint venture recognised in the consolidated financial statements :

(₹ in Crores)

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2024	2023	2024	2023	2024	2023
Closing Net Assets	188.46	216.02	1.78	1.32	1,644.71	1,480.01
Group share in %	51.00%	51.00%	51.00%	51.00%	49.00%	49.00%
Group share	96.11	110.17	0.91	0.67	805.91	725.20
Carrying amount	96.11	110.17	0.91	0.67	805.91	725.20

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

55 Additional information as required under Schedule III to the Companies Act, 2013:

Statement of Net assets, Profit and loss and Other comprehensive income attributable to Owners and Non-controlling interest

(₹ in Crores)

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Mahindra & Mahindra Financial Services Limited	88.24%	17,626.20	90.41%	1,756.74	71.17%	45.31	89.80%	1,802.05
Subsidiaries								
Indian -								
1. Mahindra Insurance Brokers Limited	3.49%	697.38	5.88%	114.34	-0.87%	(0.55)	5.67%	113.79
2. Mahindra Rural Housing Finance Limited	4.49%	897.04	0.18%	3.55	0.23%	0.15	0.18%	3.70
3. Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	0.20%	39.10	0.07%	1.27	0.00%	-	0.06%	1.27
4. Mahindra Rural Housing Finance Limited Employee Welfare Trust	0.02%	3.98	-0.04%	(0.86)	0.00%	-	-0.04%	(0.86)
5. Mahindra Finance CSR Foundation	0.00%	0.00	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
6. Mahindra Ideal Finance Limited	0.28%	56.46	0.08%	1.57	7.19%	4.58	0.31%	6.15
Foreign -	-	-	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	0.21%	41.61	0.53%	10.36	5.36%	3.41	0.69%	13.77
Associates (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
Foreign -								
Mahindra Finance USA, LLC	2.98%	595.36	3.59%	69.78	17.17%	10.93	4.02%	80.71
Joint Ventures (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
1. Mahindra Manulife Investment Management Private Limited	0.09%	17.01	-0.72%	(13.91)	-0.24%	(0.15)	-0.70%	(14.06)
2. Mahindra Manulife Trustee Private Limited	0.00%	0.71	0.01%	0.23	0.00%	-	0.01%	0.23
Total	**100.00%**	**19,974.86**	**100.00%**	**1,943.05**	**100.00%**	**63.67**	**100.00%**	**2,006.72**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2024

56 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

57 Previous year figures have been regrouped /reclassified wherever nessesary to conform to current year presentation.

Signatures to Notes 1 to 57

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054
Place: Mumbai
Date: 4th May 2024

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 4th May 2024

Annexure A

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies / joint ventures in the Consolidated Financial Statements

Part "A" : Subsidiaries [as per section 2(87) of the Companies Act, 2013]

(₹ in crores)

1	Sl No.	1	2	3	4	5	6
2	Name of the subsidiary	Mahindra Insurance Brokers Ltd.	Mahindra Rural Housing Finance Ltd.	Mahindra CSR Foundation	Mahindra Manulife Investment Management Pvt. Ltd.	Mahindra Manulife Trustee Company Pvt. Ltd.	Mahindra Ideal Finance Limited
3	The date since when subsidiary was acquired	7th April, 2004	9th April, 2007	2nd April, 2019	20th June, 2013	25th April, 2013	8th July, 2021
4	Reporting period for the subsidiary concerned	1st April, 2023 to 31st March, 2024	1st April, 2023 to 31st March, 2024	1st April, 2023 to 31st March, 2024	1st April, 2023 to 31st March, 2024	1st April, 2023 to 31st March, 2024	1st April, 2023 to 31st March, 2024
5	Reporting currency as on the last date of the relevant Financial year	INR	INR	INR	INR	INR	LKR
6	Exchange rate	1.00	1.00	1.00	1.00	1.00	0.278
7	Share Capital	10.31	122.33	0.00	382.94	0.98	52.97
8	Reserves and Surplus	642.26	1,365.76	0.00	-194.48	0.80	28.43
9	Total Assets	903.74	8,230.91	0.01	230.75	1.84	351.16
10	Total Liabilities (excluding Equity Share Capital and Reserves)	251.17	6,742.82	0.01	42.29	0.06	269.76
11	Investments (excluding subsidiaries)	188.51	238.51	-	149.81	1.68	88.17
12	Turnover	1,094.95	1,294.44	0.00	63.54	1.17	59.86
13	Profit / (Loss) before tax	167.50	4.84	-0.02	-27.27	0.60	5.24
14	Provision for tax	43.98	1.24	-	-	0.14	2.55
15	Profit after tax	123.52	3.60	-0.02	-27.27	0.46	2.69
16	Other Comprehensive Income	-0.55	0.15	-	-0.30	-	-0.14
17	Total Comprehensive Income	122.97	3.75	-0.02	-27.56	0.46	2.55
18	Proposed dividend & tax thereon	15.46	-	-	-	-	
19	Proportion of ownership interest	100.00%	98.88%	100.00%	51.00%	51.00%	58.20%
20	Proportion of voting power where different	NA	NA	NA	NA	NA	NA

For Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date : 4 May 2024

Part "B" : Details of Associates / Joint Ventures [as per section 2(6) of the Companies Act, 2013]

(₹ in crores)

Name of Associate / Joint Venture	Mahindra Finance USA, LLC
1. Latest audited Balance Sheet Date	March 31, 2024
2. Date on which the Associate/Joint Venture was associated or acquired	January 10, 2011
3. Shares of Associate/Joint Ventures held by the company on the year end	
Number of shares held	35583920
Cost of Investment in Associates/Joint Venture (Rs in crores)	210.55
Proportion of ownership interest %	49.00
4. Description of how there is significant influence	Power to influence decisions
5. Reason why the associate/joint venture is not consolidated	Not Applicable
6. Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in crores)	805.91
7. Profit/(Loss) for the year	
i. Considered in Consolidation (₹ in crores)	69.78
ii. Not Considered in Consolidation (₹ in crores)	72.62

For Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No. F5220

Place: Mumbai
Date : 4 May 2024

Corporate Information

(as on date)

BOARD OF DIRECTORS

Dr. Anish Shah, Chairman
Mr. Raul Rebello, Managing Director & CEO
Mr. Amarjyoti Barua, NED
Mr. Ashwani Ghai, NED

Independent Directors

Mr. C.B. Bhave
Mr. Dhananjay Mungale
Mr. Diwakar Gupta
Mr. Milind Sarwate
Ms. Rama Bijapurkar
Dr. Rebecca Nugent
Mr. Vijay Kumar Sharma

Chief Financial Officer

Mr. Vivek Karve

Company Secretary

Ms. Brijbala Batwal

Registered Office

Gateway Building, Apollo Bunder,
Mumbai - 400 001.
CIN: L65921MH1991PLC059642
Website: www.mahindrafinance.com
E-mail: investorhelpline_mmfsl@mahindra.com

Corporate Office

Mahindra Towers,
'A' Wing, 3rd Floor,
Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk,
Worli, Mumbai - 400 018.
Tel.: +91 22 6652 6000

COMMITTEES CONSTITUTED BY THE BOARD, LED BY INDEPENDENT DIRECTORS

Audit Committee

Mr. C. B. Bhave (C)
Mr. Amarjyoti Barua
Mr. Dhananjay Mungale
Mr. Diwakar Gupta
Mr. Milind Sarwate
Ms. Rama Bijapurkar

Nomination and Remuneration Committee

Mr. Dhananjay Mungale (C)
Dr. Anish Shah
Mr. C. B. Bhave
Mr. Diwakar Gupta
Mr. Milind Sarwate

Stakeholders Relationship Committee

Ms. Rama Bijapurkar (C)
Mr. C. B. Bhave
Mr. Raul Rebello

Risk Management Committee

Mr. C. B. Bhave (C)
Mr. Dhananjay Mungale
Mr. Diwakar Gupta
Mr. Milind Sarwate
Ms. Rama Bijapurkar

Corporate Social Responsibility Committee

Mr. Dhananjay Mungale (C)
Ms. Rama Bijapurkar
Mr. Raul Rebello

Committee for Strategic Investments

Mr. Dhananjay Mungale (C)
Dr. Anish Shah
Mr. Milind Sarwate

IT Strategy Committee

Mr. Milind Sarwate (C)
Mr. Amarjyoti Barua
Mr. C. B. Bhave
Dr. Rebecca Nugent

Digital & AI Committee

Dr. Rebecca Nugent (C)
Mr. Amarjyoti Barua
Mr. Milind Sarwate
Mr. Raul Rebello
Mr. Mohit Kapoor
Mr. Vineet Shukla

COMMITTEE CONSTITUTED BY BOARD, LED BY MD & CEO

Asset Liability Committee

Mr. Raul Rebello (C)
Mr. Dhananjay Mungale
Mr. Diwakar Gupta
Mr. Milind Sarwate
Mr. Vivek Karve

Joint Statutory Auditors

M/s. M P Chitale & Co.
And
M/s. M M Nissim & Co. LLP

Secretarial Auditor

M/s. KSR & Co., LLP

Debenture Trustee

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29,
Senapati Bapat Marg, Dadar (West),
Mumbai - 400 028.
Tel.: +91 22 6230 0451;
Fax: +91 22 6230 0700;
Website: www.axistrustee.in
E-mail: debenturetrustee@axistrustee.in

Registrar and Transfer Agents

KFin Technologies Limited
Plot No. 31 & 32, Selenium Building, Tower B,
Financial District, Nanakramguda,
Gachibowli,
Hyderabad, Telangana - 500 032.
Toll Free No.: 1800-309-4001;
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E-mail: einward.ris@kfintech.com

mahindra FINANCE

Stock Exchange Codes

NSE:	M&MFIN
BSE:	532720
Bloomberg:	MMFS:IN

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CIN: L65921MH1991PLC059642
www.mahindrafinance.com

General Disclosures: GRI 102-3