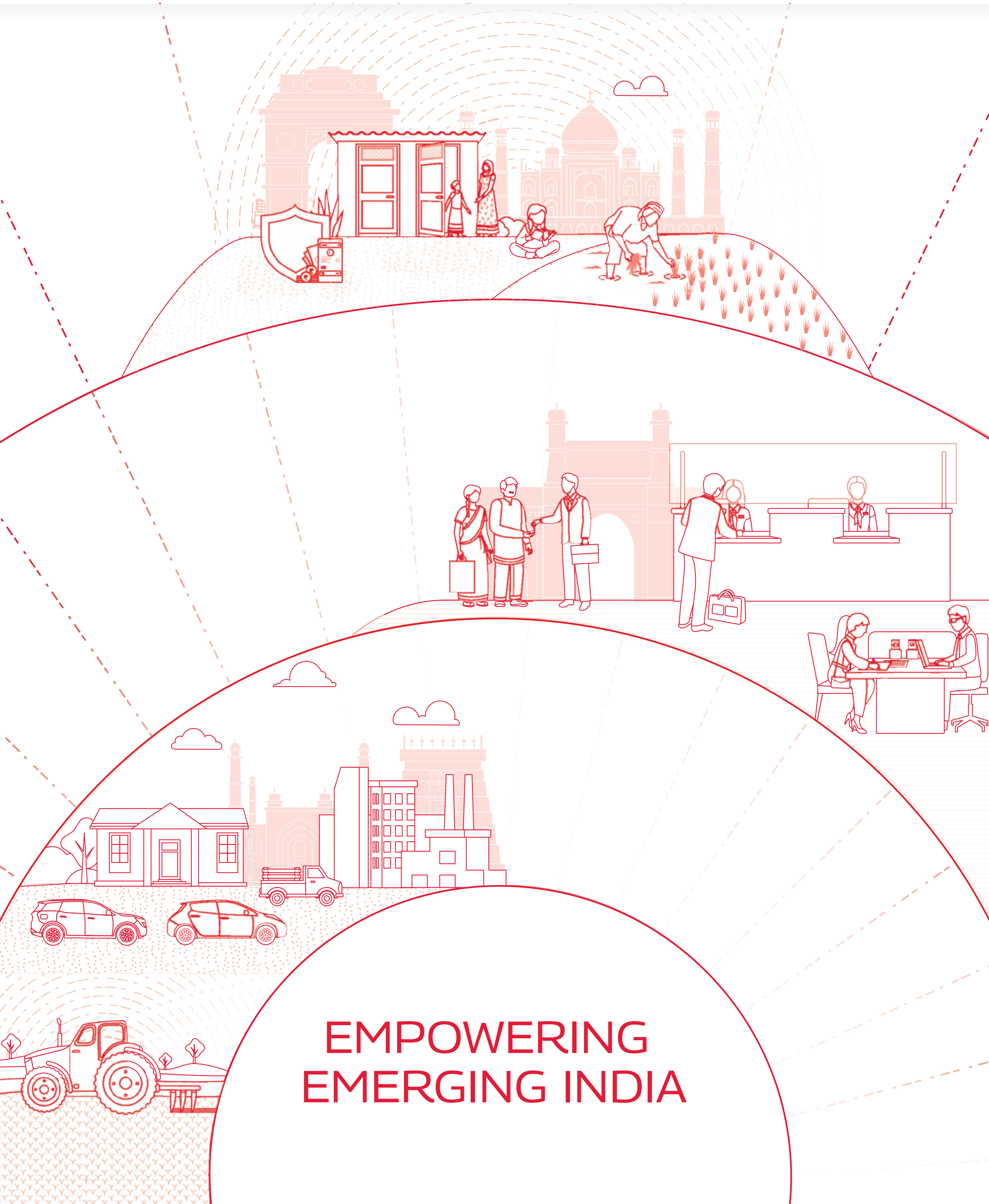
33 YEARS AND RISING

mahindra FINANCE

INTEGRATED REPORT 2022-23



EMPOWERING EMERGING INDIA

Empowering Emerging India

As a business, we have a strong position to partner with and empower emerging India. We take great pride in serving our customers, who are our main ambassadors and promoters. Our prudent provisioning, excellent credit rating, and longstanding relationships with stakeholders are a testimony to how we have created and protected value over the years. We have transformed in the past decade from primarily being a financing entity for vehicle purchases to becoming a leading multi-product non-banking financial company (NBFC) in India with deep penetration and a strong network that focuses on rural and semi-urban areas pan-country.

At the core of our #TogetherWeRise ethos, we are committed to driving positive change in the lives of our stakeholders, as we believe our success is directly linked to creating shared value for all.

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

About the cover:
Iconography supporting the business segments of Mahindra Finance

Contents

FY2023 key highlights

Financial

₹ 49,541 crores
Highest ever annual disbursement
^ 80% y-o-y

₹ 82,770 crores
Gross Loan Book
^ 27.4% y-o-y

₹ 1,984 crores
Profit After Tax
^ 101% y-o-y

2.3%
Return on Assets (RoA)

7.6%
Stable Net Interest Margins (NIMs)

Non-financial

Long-term debt rating upgraded to AAA by CRISIL

9 million+
cumulative customer contracts

'B'
Carbon Disclosure Project (CDP) rating level improved

2.57 lakhs
lives impacted through CSR initiatives

79%
employees volunteered for CSR activities

Asset quality

- Sustained improvement in asset quality across Stage 2 and Stage 3
- Robust coverage @ 59.5% on Gross Stage 3 assets
- FY2023 collection efficiency at healthy 96%

Capital management

22.5%
Capital adequacy ratio

300%
Dividend

Report profile

Our FY2023 Integrated Annual Report follows the internationally recognised framework of Integrated Reporting <IR> to offer a comprehensive insight into the functioning of Mahindra & Mahindra Financial Services Limited (MMFSL or Mahindra Finance). It covers all the key aspects of functioning that lead to value creation for all stakeholders, including our performance, governance, material risks and opportunities, strategy, and prospects.

Scope of reporting

Reporting period

Compiled, produced, and published at the end of every financial year, the report provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects, and governance. This report covers all information pertaining to the period between 1st April 2022 to 31st March 2023.

Reporting boundary

The Report covers the entire operations of Mahindra Finance, including an overview of its subsidiary companies. Throughout the reporting year, the coverage was extended to include all 1,386 offices of MMFSL, ensuring 100% coverage.

Financial and non-financial reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Materiality

This FY2023 Integrated Report provides a thorough overview of all that is material to our business. Considering the essential aspects of interest of our stakeholders, it dives into the Company's performance, prospects, and ability to create sustainable and shared value. All information included in this report is firmly rooted in the economic, social, and environmental context of our operations.

Our capitals

To be a future-ready organisation that creates long-term value in the field of digital transformation, we are highly dependent on different kinds of capital. The various forms of capital available to us (inputs), their efficient utilisation (value-accretive activities), our impact on them, and the value we deliver (outputs and outcomes) are all deeply interconnected.

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

Targeted readers

This report intends to address all the crucial information required by our long-term investors (our equity shareholders and prospective investors). Our value creation strategy for other key stakeholders, including our employees, partners and suppliers, customers, regulators, and society, is adequately reflected in this Integrated Report.

Report alignment

This report aligns with the principles and guidelines applicable to the 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 Principles (UNGC)
- NGRBC- National Guidelines on Responsible Business Conduct
- 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
- Secretarial Standards issued by the Institute of Company Secretaries of India
- Directions and circulars issued by the Reserve Bank of India

Sustainability/ESG indices participated in

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

- **CDP -** Improved CDP rating level to B. Placed under the management category for taking steps towards managing its carbon emissions
- **UN Global Impact -** First NBFC in India to join the United Nations Global Impact Network
- **FTSE4Good -** Included in FTSE4Good Emerging Markets Index for the 4th consecutive time

Board's support for value creation

To our shareholders and other stakeholders

We are pleased to present our FY2023 Integrated Annual Report to our shareholders and other stakeholders. This report provides relevant information about performance, operating context, governance, material risks and opportunities, strategy, and future prospects of Mahindra Finance.

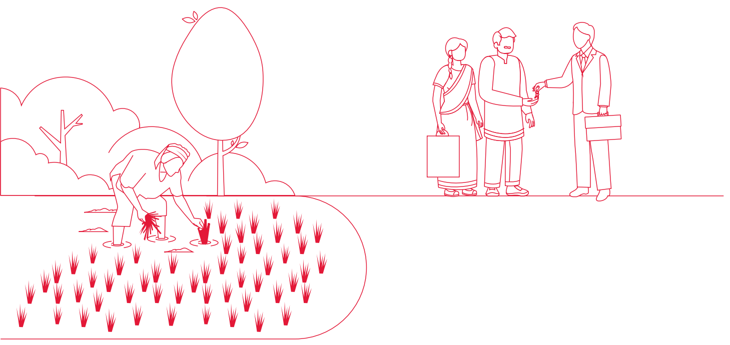
As the Board, we acknowledge our responsibility to ensure the integrity of this Integrated Annual Report. We have, accordingly, applied our collective mind and believe the report addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner.

Assurance

We ensure the accuracy and reliability of the information presented in this Report through a rigorous assurance process. This process involves both our internal experts and an independent third-party assurance provider, Bureau Veritas. You can find our Assurance Statement on page 94 for more details.

Value created for stakeholders

Performance aligned with purpose



Every decision we take, and every functional model we adopt is geared towards creating long-term positive impact. We consistently strive to create collective value for a broad range of stakeholders sustainably and inclusively.

People

We value our employees by providing a safe, inclusive, and nurturing workplace. We invest in their training, education, and well-being, fostering personal and professional growth.

16%
Increase in women representation through targeted recruitment

10,971
New employees recruited

3,53,000+
Training hours of employees

Read more on page 72

Environment

At Mahindra Finance, all our activities are backed by a strong sense of responsibility towards the environment.

3.8 GJ
per employee Energy intensity

59.5 tonnes
E-waste recycled

18,200+
Electric vehicles financed

Read more on page 88

Communities

We engage with communities through proactive CSR initiatives focused on education & livelihood, health, environment and community development.

2.57 lakhs
CSR beneficiaries

₹ 37.22 crores
CSR expenditure

2,94,000+
Trees planted

Read more on page 80

Investors

We prioritise transparency, strong relationships, and diverse interest protection for investors.

80%
y-o-y growth in disbursement

₹ 1,984 crores
Profit after tax

7.6%
Net Interest Margin (NIMs)

12.1%
ROE

1.87%
Net stage 3 ratio

22.5%
Capital adequacy ratio

Read more on page 64

Suppliers and vendors

Mahindra Finance collaborates to ensure compliance with their sustainability standards and encourage the adoption of sustainable practices.

6.34%
Purchase proportion of MSME suppliers

₹ 14,844 lakhs
Purchase from MSME suppliers

Read more on page 86

Customers

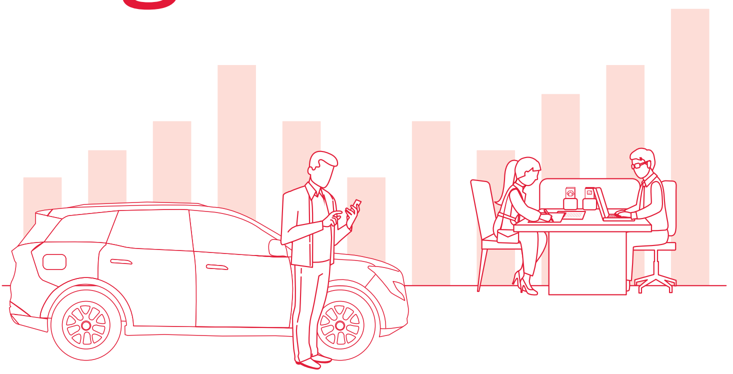
Our approach revolves around putting customers first, offering tailored services and products that enhance convenience and leverage the latest technologies.

1 million+
Customer app downloads

Read more on page 68

Note: All figures are for FY2023 unless otherwise stated.

In pursuit of sustained profitable growth



To achieve sustainable and profitable growth, we introduced Mission 2025. As part of our plan, we set specific goals for Key Performance Indicators (KPIs), including growth in Assets Under Management (AUM), asset quality, Net Interest Margin (NIM), cost ratios, and Return on Assets (RoA).

We have translated these targets into strategic priorities, with a focus on execution. From expanding our presence in underpenetrated and untapped geographies, leveraging technology to drive operational efficiency and customer engagement, and developing new products and services to building a strong team, we have significant progress and remained on track to achieve our targets.

Our new vision

"To be a leading and responsible financial solutions partner of choice for Emerging India"

Factoring in expectations of our stakeholders

- Customers
- Employees
- Communities
- Regulators
- Suppliers
- Investors
- Dealers and OEMs
- Lenders

Four strategic priorities

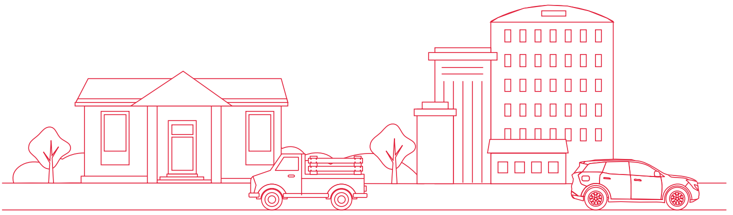
- Stabilise asset quality
- Recharge growth
- Strengthen tech and digital
- Future ready human capital

	Mission 2025	FY2023 performance
Stable asset quality	<6% GS-3	4.5%
Growth	2X AUM	27%
Diversification	15% New business contribution	~6%
Maintain margins	7.5% NIMs	7.6%
Operating leverage	2.5% Cost to assets	3.2%
Financial performance	2.5% RoA	2.3%

Delivering value by fulfiling our vision

- Increasing returns
- Maintaining strong balance sheet to protect against downside risk
- Investing in and growing our customer reach and people sustainably
- Following good ESG practices that ensure a sustainable business for the long-term
- Providing credit in a responsible manner that enables wealth creation, sustainable development and job creation

Partnering with Emerging India



Throughout our journey, we have consistently expanded our range of products and services to the rural and semi-urban (RUSU) areas, broadened our reach, and strengthened our commitment to the values that initiated our path, driving our growth with unwavering determination.

As one of India's leading NBFCs, Mahindra Finance is offering quality products and services to a wide customer base in India's semi-urban and rural areas.

We are primarily in the business of financing the purchase of new and pre-owned auto and utility vehicles, tractors, passenger cars, commercial vehicles, construction equipment, and SME financing. We benefit from our close relationships with dealers and our longstanding ties with Original Equipment Manufacturers (OEMs), which allow us to provide on-site financing at dealerships.

Our international offerings include wholesale inventory financing to dealers and retail financing to customers in the United States (US) for the purchase of Mahindra Group products through Mahindra Finance USA LLC, our joint venture with a subsidiary of the Rabobank Group.

About Mahindra Group

The Mahindra Group is a federation of Companies bound by one purpose: to Rise. For over seven decades, the Group has made many transformational changes but remains grounded in its core purpose of challenging conventional thinking and innovatively using resources to drive a positive impact in the lives of its stakeholders and communities globally and enable them to Rise.

Headquartered in Mumbai, the Group employs 2,60,000 people across 100+ countries. It operates in key industries that propel economic growth, such as tractors, utility vehicles, information technology, financial services, and vacation ownership. The Group has a strong presence in agribusiness, aerospace, components, consulting services, defence, energy, industrial equipment, logistics, real estate, retail, steel, commercial vehicles, and two-wheelers.

Key facts

₹ 82,770 crores
Gross Loan Book

9 million+
Cumulative customer contracts

1,386
Network/Pan-India offices

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 other 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

- Climate change
- Inclusion
- Ethics

Rise to be future-ready

- Customer focused
- Technology
- Innovation

Rise to create value

- Entrepreneurship
- Scale
- Impact

Mahindra Finance architecture

Mahindra & Mahindra Limited

52.16% ↓

Mahindra & Mahindra Financial Services Limited

Mahindra Insurance Brokers Limited	Mahindra Rural Housing Finance Limited	Mahindra Finance USA LLC (Joint venture with Rabobank Group Subsidiary)	Mahindra Manulife Investment Management Private Limited (MMIMPL)	Mahindra Manulife Trustee Private Limited (MMTPL)	Mahindra Ideal Finance Limited (MIFL), Sri Lanka	Mahindra Finance CSR Foundation
80%[1]	98.43%[2]	49%	51%[3]	51%[3]	58.2%	100%

Note:
1. Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), subsidiary of AXA XL Group
2. Balance 1.57% with MRHFL Employee Welfare Trust and employees
3. Manulife Investment Management (Singapore) Pte. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL

Product portfolio

Delivering on customer aspirations

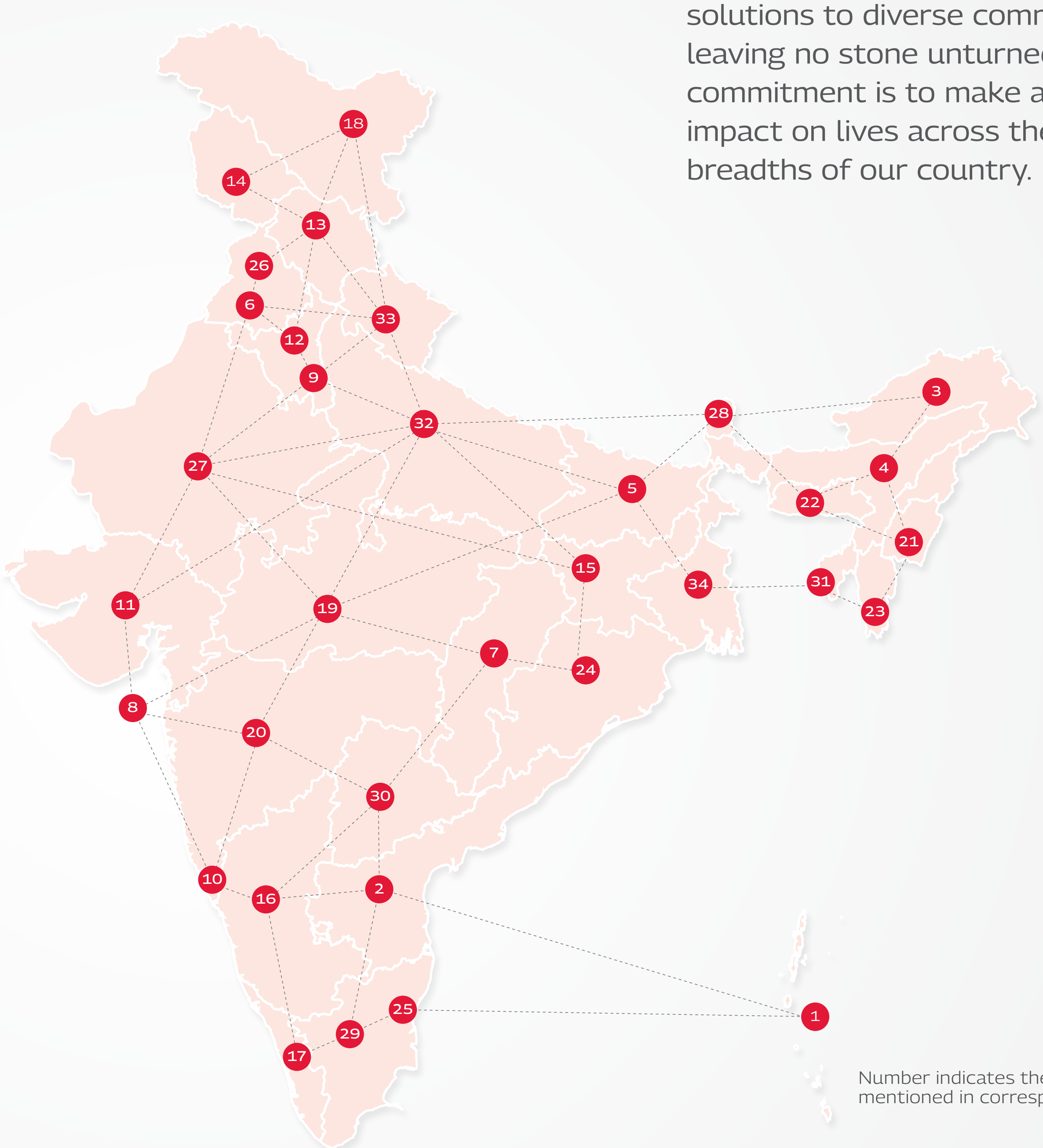
At Mahindra Finance, we prioritise understanding our customers on a deep level. By carefully analysing their needs and preferences, we continuously evolve our offerings to provide tailored solutions. Our goal is not only to stimulate economic activity and growth in the areas we operate but also to empower our customers with renewed opportunities for a better future.

Cluster	Areas of strength and differentiation	KPIs
Vehicle and tractor financing	• **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.	**8,79,000+** New contracts financed **24%** Increase in book size
Consumer and personal loans	• End-to-end seamless digital journey using automated Business Rule Engine (BRE). • Innovative product suite to facilitate customer's livelihood and consumption needs.	**100%** Digital underwriting **~1.2 lakh** Customers onboarded during the year
SME financing	• **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.	**₹ 4,400 crores** AUM of MSME
Insurance broking	• 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 relationship with customers by providing end-to-end support across policy purchase, servicing & claims settlement.	**₹ 4,037 crores** Gross premium **2.9 million** Insurance contracts
Housing finance	• **Extensive housing finance:** MRHFL offers a wide range of housing loans for purchase, construction, extension, and renovation. • **Focus on rural and semi-urban India:** MRHFL specialises in providing loans specifically tailored to the unique needs of individuals in rural and semi-urban areas. • **Comprehensive property solutions:** MRHFL provides financing options for buying, renovating, extending, and improving homes in these regions.	**₹ 2,005 crores** Loan disbursements **59,717** New customer contracts
Asset management & mutual fund distribution	• **Secured transition:** Moving from simple savings instruments to mutual-fund investments. • **Our belief is in growing together, that's why we focus on delivering long-term results through active management with diverse investment options:** 20 schemes across Equity, Tax Saver, Liquid, Debt, and Monthly Income Funds. • **End-to-end solutions:** Distribution team provides comprehensive investment solutions for rural and semi-urban India.	**₹ 9,503 crores** Assets under management as on 31st March 2023 **21%** Increase in distributors

Presence

Expanding our footprint

We strive to reach every corner of the nation, bridging the gap and empowering rural and semi-urban India. With an expanding branch network, we bring accessible financial solutions to diverse communities, leaving no stone unturned. Our commitment is to make a meaningful impact on lives across the lengths and breadths of our country.



Number indicates the name of state mentioned in corresponding table

1,386
Branches

527
Smart branches

By establishing branches across the country and employing individuals from local communities, we have effectively served customers with varying financial needs. We achieve this by recognising and comprehending the desires and goals of individuals.

Note: Map not to scale

State/Union Territory		Customers serviced in FY2023		
		MMFSL	**MRHFL**	**MIBL**
1.	Andaman and Nicobar Island	1,497	-	816
2.	Andhra Pradesh	59,249	74,181	60,673
3.	Arunachal Pradesh	4,493	-	-
4.	Assam	1,06,316	-	91,033
5.	Bihar	1,34,320	9,781	1,30,813
6.	Chandigarh	3,181	26	30,124
7.	Chhattisgarh	80,614	5,958	58,150
8.	Dadra and Nagar Haveli	1,665	-	-
9.	Delhi	25,784	-	71,352
10.	Goa	-	-	32
11.	Gujarat	1,39,562	47,375	1,43,937
12.	Haryana	75,012	-	77,606
13.	Himachal Pradesh	32,797	-	17,099
14.	Jammu and Kashmir	26,617	-	21,246
15.	Jharkhand	50,938	-	49,435
16.	Karnataka	91,133	1,439	1,21,230
17.	Kerala	92,585	20,905	92,391
18.	Ladakh	698	-	-
19.	Madhya Pradesh	1,94,346	36,985	1,62,991
20.	Maharashtra	2,36,400	1,91,698	9,50,785
21.	Manipur	2,820	-	2,106
22.	Meghalaya	12,893	-	5,459
23.	Mizoram	10,596	-	5,213
24.	Odisha	67,669	533	64,173
25.	Puducherry	2,107	-	13,879
26.	Punjab	41,491	29	42,352
27.	Rajasthan	1,40,281	24,145	1,49,621
28.	Sikkim	6,739	-	3,684
29.	Tamil Nadu	75,148	1,17,906	93,956
30.	Telangana	75,363	31,830	53,844
31.	Tripura	15,507	-	5,967
32.	Uttar Pradesh	2,83,065	7,600	2,74,794
33.	Uttarakhand	55,864	192	33,430
34.	West Bengal	1,15,423	-	82,763
	Grand Total	**22,62,173**	**5,70,583**	**29,10,954**

Smart branches

To enhance the service experience for our customers and forge stronger relationships with our dealers, we have expanded our network by establishing 527 smart branches located within our dealer partners' premises. These branches are designed with minimal infrastructure and a smaller staff size compared to our regular branches, specifically catering to the needs of a particular dealer partner.

Physical assets

In addition to our branches and physical infrastructure, we possess essential IT assets such as computers, laptops, and printers that empower our staff to carry out their tasks efficiently. Moreover, we have installed diesel generator (DG) sets at specific locations to serve as backup power sources.

Being a responsible NBFC

Ensuring healthy asset quality and surplus liquidity across all buckets remain among our key priorities.

With our robust risk management framework, we have consistently maintained improved asset quality during the year. We set up Collection War Room to build on our strength in on-ground collections and construct our collection analytics influence.

This proactive approach enables us to swiftly correct potential GNPAs, thereby mitigating risk and maintaining a healthy asset-quality portfolio. By utilising cutting-edge collection analytics, we effectively manage and streamline our collection processes, allowing us to identify and address potential issues with precision and timeliness.

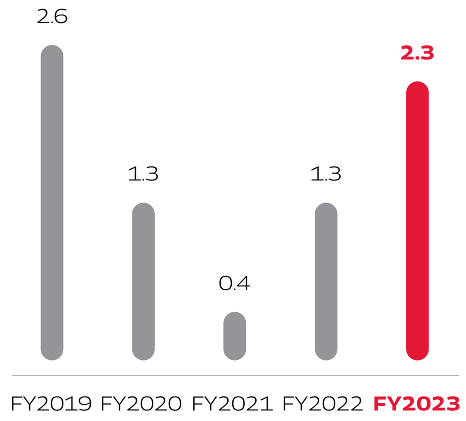
Key performance indicators

Sustaining stable and profitable growth

Driven by unwavering determination and dedicated efforts, we successfully overcome challenges while maintaining a robust capital adequacy ratio. Rural demand and improved cash flows combined with the removal of supply-side bottlenecks in the industry helped us deliver healthy disbursement growth. With a strong heritage, a solid parent Company, and an excellent liability franchise, we are well-positioned to meet our goals and aspirations.

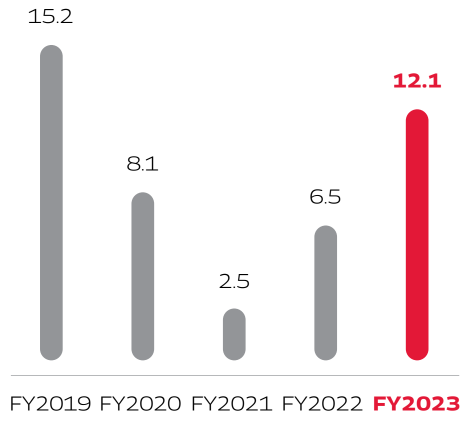
Return on assets (ROA)

(%)



Return on net worth (RONW)

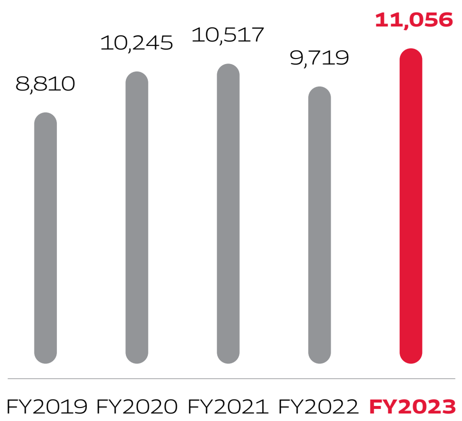
(%)



Financial metrics

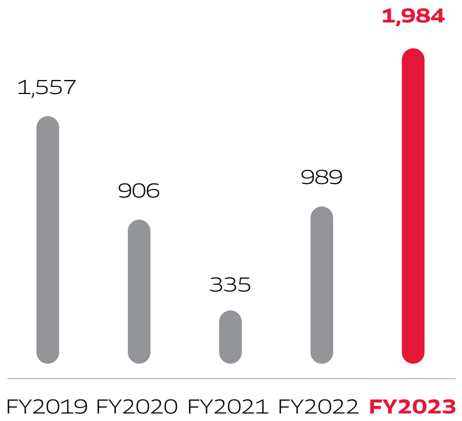
Total income

(₹ in crores)



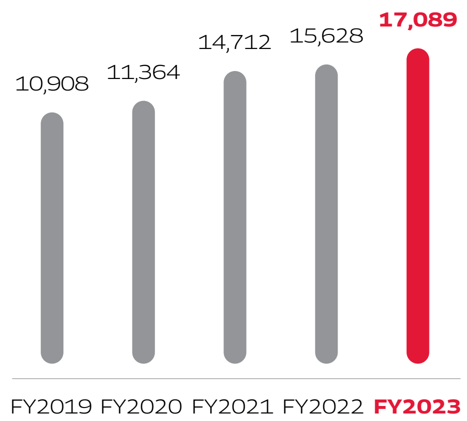
Profit after tax

(₹ in crores)



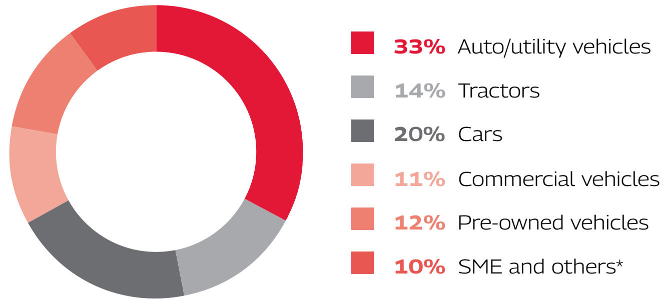
Net worth

(₹ in crores)



Breakdown of asset book

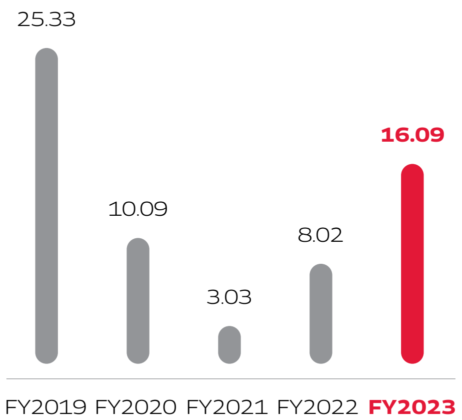
(%)



(as on 31st March 2023)
* others include trade advances, personal and consumer loans, finance lease receivables

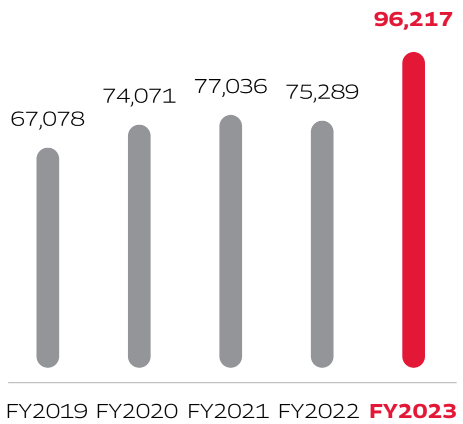
Earnings per share (Basic)

(₹)



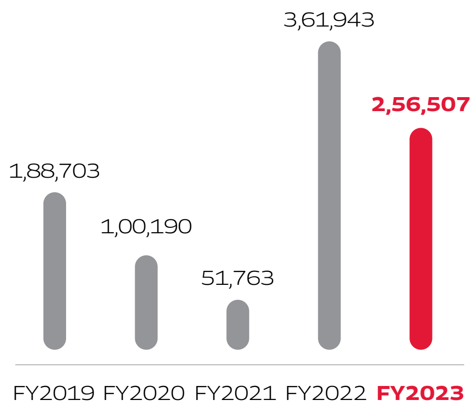
Total assets

(₹ in crores)



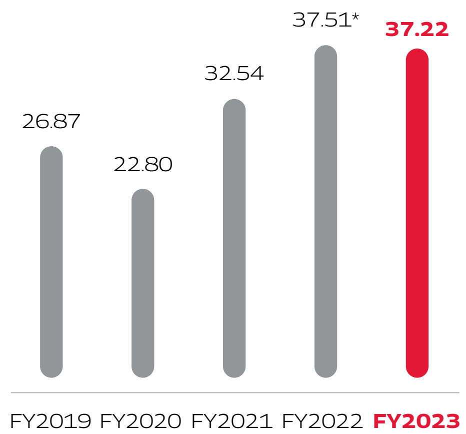
Social metrics

Number of lives impacted



CSR spend

(₹ in crores)



*includes ₹ 7.86 crores transferred to unspent CSR account towards Company's ongoing project, which was spent in FY2023

Chairman's message

Empowering Emerging India

Dear Stakeholders,

The year under review witnessed constant changes in the global geo-economic environment. The worldwide economy encountered numerous challenges, including increasing geopolitical tensions, stagnating growth, and turbulent financial markets. Despite the unwinding of supply chain disruptions, the year continued to be impacted by the Ukraine war. The above led to inflation remaining persistent at higher levels contributing to rising prices of food, commodities and energy.

Against this backdrop, however, India showcased remarkable resilience in the face of global uncertainties, setting itself apart from numerous advanced economies. The country maintained strong performance in 2022 across all sectors, primarily due to robust domestic demand and a supportive policy environment.

During the year under review, our business was aided by these favourable macro tailwinds. Having said that, the thrust of the leadership on investing in newer capabilities and advanced technological solutions accelerated during the year. These are bearing fruits for us. We are happy to report another outstanding year, characterised by strong financial performance and the consistent achievement of important scorecard objectives.

Over more than 30 years, your Company has established a robust ecosystem for financing in semi-urban and rural areas. This achievement has been made possible by our ability to identify emerging trends ahead of time, gain deep local insights, make relevant investments, and steadily expand our presence nationwide. Notably, during the year, our long-term rating was upgraded by CRISIL to "CRISIL AAA/Stable," affirming our continuous efforts to enhance asset quality and maintain a stable resource profile.

Throughout the year, we have remained committed to fostering a culture of excellence that is centred around our clients, embraces diversity, and promotes inclusivity. We aim to consistently deliver high performance and exceed expectations. We recognise that our workforce is a vital asset that drives our success and productivity, and we value the diverse backgrounds, perspectives, and networks of our employees, which set us apart. During this period, we have strengthened our leadership team and brought in new talent to lead our technology and risk divisions. This strategic approach allows us to stay at the forefront of addressing our clients' evolving needs and embracing technological advancements.

We have maintained a steadfast commitment to asset quality, supported by a robust collection performance. We have maintained a steadfast commitment to asset quality, supported by a robust collection performance. Additionally, we made efforts to strengthen our balance sheet and enhanced our risk management framework and compliance culture, ensuring a solid foundation for our operations. Looking ahead, we will capitalise on the power of digital technology and data intelligence to drive scalability, and cost efficiency, and improve the overall customer experience across our various business lines.

We have made steady progress on our Environmental, Social, and Governance (ESG) journey, establishing a strong foundation that prioritises protection and progression for our entire ecosystem. This approach ensures long-term benefits for all stakeholders involved. Our commitment to social initiatives is reflected in our strong rural links in unserved and underserved communities as our products and services help customers attain financial independence and create sustainable livelihoods.

We believe that the stage is now set for us to broaden our vision, which appropriately reflects our evolving goals and aspirations. Our previous emphasis was on being the foremost financial services provider in rural and semi-urban areas, which formed the backbone of our business, as is currently as well. However, our vision in its new avatar goes beyond that, aiming to position us as "A leading and responsible financial solutions partner of choice for Emerging India". This new vision encompasses 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.

> Our vision in its new avatar goes beyond that, aiming to position us as "A leading and responsible financial solutions partner of choice for Emerging India". This new vision encompasses our commitment to service our customers in emerging India in a responsible manner and simultaneously achieve profitable growth.

Under succession planning and to ensure a seamless transition, the Board has appointed Mr. Raul Rebello as the Executive Director and MD & CEO - designate effective 1st May 2023. He is a young leader. Throughout his career, he has demonstrated an impressive track record of accelerating growth in large businesses and incubating ideas for the future. He understands rural and is aligned with the Company's vision. He would eventually take over from Mr. Ramesh Iyer, who has built such a formidable franchise over the years, as he superannuates in April 2024. I am confident that Raul will further build and strengthen the moats and take your Company to greater heights in the coming years.

We thank our customers for their faith and confidence in your Company to deliver their requirements and needs. We owe a debt of gratitude to all the employees for helping build the Company and its businesses. We thank all other stakeholders including all the Members for their continued support. I envision greater achievements for the Company in the years to come and look forward to a successful year ahead.

Regards,

Dr. Anish Shah
Chairman

A growth mindset

Dear Stakeholders,

As we finally seemed to emerge from the shadows of COVID-19 last year, we started to navigate our way through a post-pandemic world marred by the war in Ukraine, hyper-inflation, supply chain disruptions, tight labour markets, an ever-deepening climate change crisis. Despite the challenging environment, we continued to deliver strong operating and financial performance, and I am enormously proud of our achievements. Our strengths of long-lasting relationships, deep penetration, pan-India presence and multi-product approach enabled us to maintain a robust performance despite the headwinds of intensified competition in an increasing interest rate environment.

Our performance

We achieved remarkable growth in both the vehicle segment and our emerging SME business, leading to our highest-ever annual disbursements of ₹ 49,451 crores, marking an impressive 80% increase over the previous year. Our total income also saw substantial growth of 14%, reaching ₹ 11,056 crores compared to ₹ 9,719 crores in the previous year. Notably, our profit after tax reached ₹ 1,984 crores, reflecting a significant growth of 101% compared to ₹ 989 crores in the previous year. The Board has recommended a dividend of 300% of face value, i.e. ₹ 6/- per share on equity shares of face value of ₹ 2/- each.

Additionally, we were able to deliver consistent improvement in asset quality, with our Gross Stage-3 reducing to 4.5% in comparison to 7.7% at the end of the previous year. The robust performance scorecard we achieved is a result of our continuous thrust on process excellence, digitalisation, sharp eye on innovation to build sustainable competitive advantage and a 360-degree focus on enhancing customer experience.

Improved rural cash flows during the year supported demand sentiments. Our leadership position further strengthened in the Tractor, Mahindra Auto and non-Mahindra financing segments with improvement in market shares. Increasing penetration in used vehicle financing continues to be our focus area. The Collection War Room set up by the Company continues to focus on early bucket resolutions and the use of legal toolkits for enhanced outcomes. I am pleased to report that your Company is well-capitalised, with a strong capital adequacy ratio of 22.5% which provides ammunition for future growth.

We are implementing Udaan, a comprehensive transformation initiative supported by technology and digital expertise, to revolutionise our current business practices.

Delivering on our Mission 2025

We demonstrated our strong execution capabilities by consistently delivering focused outcomes across all our business verticals. We are well on track to achieve our targets outlined in our Mission 2025. To ensure progress towards these targets, we have implemented several strategic initiatives and established specific goals. These include the use of data and analytics in the underwriting process, improved review mechanisms aided by automated dashboards, strengthening the collection engine with the help of decision support data-enabled processes and legal toolkits, etc. We are progressing well in our objective to expand the share of the non-vehicle portfolio by nurturing the business of SME lending. Additionally, within the vehicle segment, our products are now appealing to mass-affluent customers from rural, semi-urban and urban areas.

Digital and data analytics

Digital innovation and technology enhancements play a crucial role in realising our vision of creating sustainable value for all stakeholders. We launched a specialised end-to-end digital journey named 'Used Car Digi Loans' through which customers will get customised loan offers from Mahindra Finance, enabling them to take faster buying decisions. We also expanded ML/AI penetration through business intelligence dashboards and insights which have aided in rolling out business and strategic business initiatives.

Responsibility towards planet

At Mahindra Finance, we are committed to protecting the environment and conserving natural resources. Our approach to environmental sustainability is guided by our internal policies and aligns with relevant external standards. Our continued commitment to social responsibility is reflected in our signing of the UNGC to promote 10 principles in the areas of human rights, labour standards, environment, and anti-corruption. We have our focus on financing of electrical vehicles, which are part of our green product portfolio. This has been taken into consideration while formulating our sustainability roadmap too. During 2022-23, we financed upwards of 18,000 electric vehicles.

Investing in people and communities

The collective capabilities of our talented workforce have been instrumental in driving our success thus far, and we remain committed to further investing in their development. Our strong local presence and connection, facilitated by our dedicated employees, have played a crucial role in fostering customer relationships. Our employee training programmes help cultivate a mindset that aligns with crucial values such as customer-centricity, professionalism, and a strong focus on quality. It acts as a catalyst for both individual and organisational growth, reinforcing our values and fostering a culture of continuous improvement and excellence.

We are implementing Udaan, a comprehensive transformation initiative supported by technology and digital expertise, to revolutionise our current business practices. Through Udaan, we aspire to enhance the overall experience for both our employees and customers by rethinking our processes and journey. We are currently in the process of designing and implementing various programmes aimed at improving the lending journey, encompassing aspects such as sourcing, cross-selling, underwriting, loan processing, and collections. This transformation will ultimately result in improved stakeholder experience, faster turnaround times, and increased digital proficiency through cutting-edge services.

Our CSR initiatives are aligned with the mission of transforming lives and driving positive change in the communities around us. We have identified Health, Education & Livelihood and Environment as key CSR thrust areas. In alignment with Mahindra Group's 'Rise for Good' philosophy, through our unique business model, we are making a difference in the lives of many and thereby addressing the demands of people in the country. During the year, we could meaningfully touch the lives of over 2,50,000 individuals by helping them enhance their capabilities.

Before concluding, I would like to extend my heartfelt gratitude to all you stakeholders for your continued support of the Company and strong belief in our abilities. It is our constant endeavour to create sustainable value for all of you consistently.

Regards,

Ramesh Iyer
Vice-Chairman & Managing Director

Digitalisation

Playing to our technological strengths

We have always used the digital-first strategy to leverage technology for our businesses. In line with that, we continued to invest in digital technologies, security systems and advanced analytics this year. This helped us create immersive customer experiences, improve operational efficiency, and revolutionised our better decision-making processes.

Material issues addressed	Key risks considered	SDGs impacted
Digital innovation and disruption	Information technology risk	9 Industry, Innovation and Infrastructure

The customer landscape is undergoing a fundamental transformation, and as digital leaders, we recognise the need to swiftly provide business solutions that cater to their present and future needs. We are witnessing a shift where digital is no longer just one of the channels for conducting business; it is becoming the core of our business operations. The pace of this transition may vary for different businesses, but we must embrace this new norm.

Our customer base primarily resides in semi-urban and rural areas. Therefore, maintaining strong physical appraisal processes and fostering local customer relationships remain crucial to our business. By combining our digital capabilities with the local touchpoints that are significant to our customer base, we are effectively driving our business forward and meeting the evolving needs of our customers.

Seamless and on-the-go service: WhatsApp for customer convenience

We have taken significant strides in our commitment to empowering customers and enhancing their experiences. Recognising the growing significance of conversational marketing, we have integrated WhatsApp, a powerful tool that enhances customer interactions and boosts customer satisfaction. This strategy has enabled us to develop effective brand-building and customer relations strategies.

Supporting two languages, it empowers customers to initiate conversations, apply for vehicle loans, check loan application status, and access an array of other services, ensuring seamless and on-the-go customer service. During the year, we also:

- Revamped WhatsApp UI, thereby making it convenient for customers by segregating the long list of menu options into critical bucket list
- Implemented query, request, and complaint services which make it more convenient for customers to interact with the brand, thereby enhancing customer satisfaction

3.5 lakhs

Registered WhatsApp user base

^ 250% y-o-y

Used Car Digi Loans

We introduced Used Car Digi Loans, which provides customers with a specialised end-to-end digital journey. In collaboration with Car & Bike (by Mahindra First Choice Wheels) and Rupyy (by Car Dekho), renowned brands in the used-car industry, this integrated journey offers a seamless and customised loan experience.

Through this innovative digital journey, customers can receive personalised loan offers from Mahindra Finance, empowering them to make faster purchasing decisions. The integrated system streamlines the loan application process, allowing customers to initiate it effortlessly with Mahindra Finance, ensuring a quick and convenient experience.

The solution can disburse loans within a few hours, thanks to our dedicated underwriting and processing teams equipped with 15 state-of-the-art fintech tools. Partners involved in the process will have real-time visibility into the application status and sanctioned loan offers, enabling them to provide swift vehicle delivery and delight their customers.

Bharat Bill Payment System (BBPS)

Before the implementation of BBPS (Bharat Bill Payment System), customers had limited options to pay their EMIs. They could either make cash payments at MMFSL branches or nearby CSC/FINO outlets or use the MMFSL mobile app or website. As a result, the payment collection options were limited, providing restricted reach. Moreover, the transaction costs associated with these platforms were relatively high. However, with the introduction of BBPS, customers now have the flexibility to use banking channels and various third-party applications to make EMI payments. This has led to an increase in digital collections and higher adoption of digital payment platforms among the masses.

Furthermore, the cost of transactions through BBPS is comparatively much lower than other payment options. BBPS offers several advantages, including:

- Convenient bill payment facility accessible anytime and anywhere
- Being accessible even in regions with minimal banking infrastructure
- Multiple modes of payment, including debit cards, net banking, e-wallets, and UPI
- Instant confirmation of payment through SMS, email, or paper receipt, ensuring customer reassurance. Statement of Account (SOA) is updated in real-time
- Enhanced security and reliability, instilling trust among customers

₹ 630 crores

Digital collection through BBPS for March 2023

Quiklyz
For hassle-free vehicle access

With our innovative digital platform, Quiklyz, we aim to revolutionise car usership by offering customers a convenient and hassle-free way to access brand-new vehicles without the burdens of ownership.

Our platform caters to both retail and corporate customers. In the corporate segment, we cater to marquee companies for their employee vehicle lease programmes and fleet operators for the business use vehicles, while in the retail segment, we target a diverse range of customers, with a particular emphasis on individuals with a millennial mindset, including salaried and self-employed individuals.

A key differentiating factor of Quiklyz is our extensive portfolio of electric vehicles (EVs). We have partnered with leading original equipment manufacturers (OEMs) such as Mahindra & Mahindra, Tata Motors, Mercedes-Benz, MG, Audi, and Jaguar to offer customers a wide range of vehicle options.

Our value proposition to customers includes zero down payment schemes, a variety of subscription tenure options, a single fixed monthly fee, registration of the vehicle in the customer's name, hassle-free maintenance, and more. Customers can easily explore and book their dream vehicles through our user-friendly website, Quiklyz.com, which provides a seamless vehicle booking and delivery experience. Leveraging a robust digital architecture, customised product offerings and a strong team, we have developed employee vehicle lease programmes with onboarded leading corporates across industries pan-India.

One of the key goals we have set for ourselves is to achieve a book size of ₹ 10,000 crores within the next three to five years. We believe that leasing, especially in the last-mile mobility space, including EVs, is gaining traction. Our business model will also prioritise this area of growth.

We have embarked on a collaborative journey with leading hyperscalers to enhance our Cloud footprint, with the aim of enhancing and streamlining the customer experience management process across both B2C and B2B channels. Each hyperscaler has a distinct role to play in the partnership and brings in multiple features including cloud-connected cars, customer analytics, and enterprise applications. It is important to note that the collaboration with these hyperscalers is not exclusive to one platform but rather focuses on the specific strengths and expertise of each, resulting in a comprehensive and well-rounded approach.

Process improvements

Digital technology has also helped make continued improvements in Mahindra Finance's business processes, thereby addressing stakeholder expectations. The initiatives can be divided into two categories.

Strategic

These are project improvements which are strategic in nature and span across different verticals, and may involve external stakeholders as well.

Operational efficiency

This involves two aspects:

1. Root Cause Analysis (RCA)/ Mahindra Yellow Belt (MYB)

   This indicates improvements achieved at the department head level and includes RCA/ MYB projects and IT-enabled initiatives. They involve structured problem-solving such as the Six Sigma DMAIC (Define, Measure, Analyse, Improve and Control) methodology.

2. IT-enabled improvements

   In addition to the above, we undertake various initiatives using IT as an enabler to fast-track the digitalisation of our ecosystem.

Udaan

Udaan is an end-to-end transformation for MMFSL backed by technology and digital capabilities. With Udaan, we are enhancing the overall experience for our employees and customers. As part of the transformation programme, we are strengthening our tech architecture to make the organisation future-ready for fast-paced growth.

Supporting customers in all their needs

We are always there to help our customers when they need us. Being leaders in the market is an outcome of being quick on our feet to identify key market trends and tailoring our offerings accordingly.

For decades Mahindra Finance has supported many first-time borrowers with little or no credit history; but a passion to realise their dreams. We have partnered with their ambitions passionately and diligently. Today, they are confident participants in India's inclusive growth story.

Our product portfolio includes a wide range of financing, investment, and insurance solutions. To counter the deep cyclicality in the vehicle financing segment, we ventured into complementary business segments viz. SME, leasing business, and Digi FinCo. These complementary businesses provide counter-cyclical benefits and expand the potential for delivering consistent growth.

Strategic priorities

A purpose-led strategy for future growth

We are constantly building on our existing strengths while reimagining our business priorities to reach new horizons of growth and opportunities.

Stabilise asset quality

GS3 below 6%

Initiatives

- Identified the right customer segment: Reassess the highly vulnerable and volatile cash flow segment. Targeted affluent 'RURBAN' clients. Target the burgeoning and affluent RUSU customer segment.
- Product diversification: Increase in non-vehicle share through SME, LAP, Leasing, and Digital FinCo.
- Digital and Tech: MMFS has significantly upped its engagement with credit bureaus. Application scorecard is being used across businesses. Digital lending journeys mitigate risk (VKC, e-sign, eNACH).
- Collection War Rooms: Curated treatment for customer segments and disciplined vehicle repossessions.
- Legal efforts: Leveraging legal tech and debt resolution platforms to resolve bad debts.

Outcomes

Effective deployment of capital and efficient portfolio discipline helps manage risk and drives sustainable returns.

Capitals impacted

Recharge growth

2x AUM through Core + Diversification

Initiatives

- Leadership in vehicle lending: Deepened the rural network, scale the Pre-owned Vehicle segment, and increase penetration in both the Tractor and Auto segments of M&M. Target is to gain further market share.
- Scale new growth engines: SME, LAP, Leasing, and Digital FinCo.
- Cross-sell and premiumise: Leverage cross-sell as MMFSL has a life to date customer base of 9m+ (Active customers: 2m). Target affluent RUSU customers.
- Leveraged partnerships with dealers and OEMs.

Outcomes

Fulfiling the needs of customers and support them to achieve their various goals in life.

Capitals impacted

Strengthen tech and digital

Initiatives

- Digitising core with cloud-first infrastructure.
- Adding APIs to the core system to allow partners to connect with its systems.
- Adding AI/ML-based models across the customer lifecycle to create a better customer experience.
- Undertaking a tech transformation journey by partnering with aggregator/co-lending platforms.

Outcomes

Through technology and digital expertise, we deliver an excellent customer experience by harnessing our internal knowledge and experience of partnering with leading external organisations.

Capitals impacted

Future-ready human capital

Initiatives

- Realigned organisation; localisation will play a major role.
- Empowering employees with the latest tech infrastructure to drive productivity.
- Fostering a culture of digital- and data-first.
- Improving productivity through process optimisation.
- Conducting BRSR training for employees covering 9 principles of NGRBC to inculcate ESG preparedness.

Outcomes

By being future-ready we improve both customer experiences and colleague engagement.

Capitals impacted

Financial Capital | Manufactured Capital | Intellectual Capital | Social and Relationship Capital | Human Capital

Business model

Creating, sustaining, and sharing value

Inputs

Financial Capital
Equity - **₹ 17,089 crores**

Borrowings - **₹ 74,946 crores**

Read more on page 64

Manufactured Capital
Number of offices - **1,386**

Smart branches - **527**

Read more on page 12

Intellectual Capital
Mobile app users - **8.7 lakhs**

Digital collections - **₹ 8,469 crores**

Read more on page 22

Human Capital
Number of employees - **26,329**

Average training hours - **14**

Read more on page 72

Social and Relationship Capital
Contribution by employees under various CSR programmes - **97,400 man hours**

Cumulative customer contracts - **9.0 million+**

Read more on page 80

Natural Capital
Water consumed - **3,34,753 KL**

Energy usage - **1,49,134 GJ**

Read more on page 88

Value creation process

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

Read more on page 28

Sustainability roadmap
- Greening ourselves
- Decarbonising our industries
- Rejuvenating nature

Read more on page 40

Activities to sustain value

Financial Capital
Strengthened and 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 a societal contribution

Continued investment in ensuring strong positive customer experience

Natural Capital
Strong focus on energy efficiency

Operational excellence for resource conservation

Outcomes

Financial Capital
Total Income - **₹ 11,056 crores** (14% growth y-o-y)

EPS - **₹ 16.09**

Manufactured Capital
Loans disbursed - **10.52 lakh contracts**

Customer QRCs resolved - **99%**

FDs mobilised - **₹ 2,000+ crores**

Intellectual Capital
Best-in-class ecosystem benefitting customers

Use of data-driven methods across business lifecycle operations

Human Capital
New recruits - **10,971**

Attrition rate - **19.94%**

Social and Relationship Capital
Lives impacted through various initiatives - **2.57 lakhs**

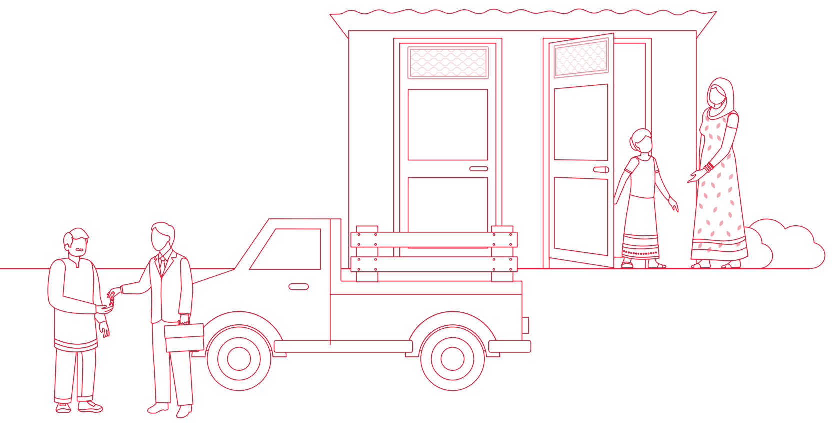
Customer CaP score - **56**

Natural Capital
GHG emissions avoided - **1,720 TCO_2**

SDGs impacted

Operating context

Key trends transforming the industry



We have identified several fundamental industry trends which are transforming the financial services landscape. Our business needs to keep abreast of these trends and respond in an agile manner to ensure we remain relevant to our customers and build long-term value for our stakeholders.

Financial inclusion

48.65 crores

Beneficiaries of Pradhan Mantri Jan Dhan Yojana scheme

Financial inclusion plays an important role in the process of economic progress by developing a culture of savings among a large segment of the population and broadening the resource base of financial systems. With multiple schemes like Jan Dhan Yojana and Mudra Yojana, among others, the Government of India has laid greater emphasis on furthering the cause of financial inclusion and bringing a larger part of the population into the ambit of formalised banking. The Finance Minister has proposed the introduction of 75 digital banking systems in 75 districts by scheduled commercial banks, which will empower the population digitally in a consumer-friendly manner, supporting interoperability and financial inclusion.

The Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme has achieved a significant milestone in the financial year ending 31st March 2023. The basic bank accounts under the scheme have registered a record surge of ₹ 50,000 crores, with the total balance reaching ₹ 1.99 lakhs crores, an increase from ₹ 1.49 lakhs crores in the previous financial year. Additionally, there has been an addition of 5 crores of new accounts under the scheme, bringing the total number of beneficiaries to 48.65 crores.

Product innovation with a customer-centric approach

Customers' needs and behaviours are changing as a result of new technologies. The impact of COVID-19 has accelerated digital trends as well as prompted different ways of working, shopping, socialising, and communicating.

Today, the focus is shifting towards providing each customer with individual, tailor-made offerings and experiences. Through their regular customer interactions, virtually or otherwise, banks gain a lot of data and insights into customer behaviour and preferences, which enable them to personalise their offerings.

Supported by advanced technology and data analytics, banks can reach out directly to customers with products that suit their needs and convenience. This trend is pushing banks to move from a product-centric business model to a more customer-centric business model.

Accelerated digital adoption

₹ 11,200 crores

Digital transactions in FY2022-23

Across the globe, financial services companies have been racing to embrace digitalisation, improve their ways of working and streamline processes to provide enhanced customer services and greater convenience. Today, the use of artificial intelligence (AI) and other cognitive technologies is helping companies mitigate risks, understand customer needs, and predict customer concerns, thereby addressing expectations and delivering a smooth customer experience.

According to the RBI, Digital transactions are expected to show a growth of 56% in a single year, rising from ₹ 7,197 crores in FY2021-22 to ₹ 11,200 crores in FY2022-23. The increase is due to payment infrastructure improvements, a responsive regulatory framework, and years. a stronger emphasis on customer-centricity.

Sustainability and ESG integration

With the growing focus on sustainability, all sectors across the world are stepping up their efforts to incorporate ESG and aligning their business goals accordingly.

Corporations are making efforts to educate customers to shift their decisions towards sustainable product choices. Operations are becoming more and more sustainable and are now designed for creating a positive ecological impact.

Our response

Committed to financial inclusion, Mahindra Finance offers customers a diverse range of financial solutions to help them achieve their goals. For decades Mahindra Finance has supported many first-time borrowers with little or no credit history but a passion for realising their dreams. Today, they are confident participants in India's inclusive growth story.

Understanding these trends allows us to better support our customers in their needs, be there at every stage of their lives and tailor products that meet their evolving expectations. By harnessing new technology, we have again enhanced and evolved our customer experiences in FY2022. We have also continued our efforts to make our services more accessible for all of our customers through improving face-to-face, digital and remote interactions.

We invested in advanced technology, translating into cutting-edge products and service offerings, and have been stepping up the digitisation momentum. Quiklyz provides convenient vehicle access, and we have incorporated the WhatsApp Bot to facilitate seamless customer interactions and improve overall satisfaction. Additionally, our introduction of Used Car Digi Loans ensures customers enjoy a streamlined digital journey from start to finish.

At Mahindra Finance, sustainability is our strategic priority and key responsibility. With inclusive stakeholder consultation, robust governance structure, setting up of aspirational targets and strong review mechanism to achieve those targets, we are set to accelerate our sustainability journey. We prioritise reducing of our environment footprint and financing of EVs as a key component of our environmentally friendly product portfolio.

Stakeholder engagement

Enhanced commitment to grow together

We interact with our stakeholders through robust engagement processes and listening mechanisms to learn about and respond to their concerns, to keep them informed of our activities and create mutually supportive opportunities and results.

Our efforts towards building a strategic and proactive dialogue with our key stakeholders help us gain deeper insights into our business drivers and the needs of society. This enables us to improve our internal processes, capitalise on business opportunities, reduce our operational risk and remain ahead of the competition while creating greater value for all stakeholders.

	Community/NGOs	Employees	Customers	Regulators	Investors	Dealers and OEMs	Lenders	Suppliers
	Places where we have an impact	**People who deliver our purpose**	**People and business we serve**	**Who we seek to comply with in law and spirit**	**The capital and funding that supports our business activities**	**Enabled customer experience by having seamless digital integration**	**Partners who provide us with funding to grow over asset book**	**Where we source our goods and services**
How we create value	We strive to operate as a sustainable and responsible company, working with local partners to promote social and economic development	To lead the way in addressing the evolving needs of our clients and the advances in technology, we are developing a workforce that is future-ready and are co-creating with our employees an inclusive, innovative and client-centric culture that drives ambition, action and accountability	We want to deliver easy financial solutions to our customers in a simple and cost-effective way with great customer experience	We engage with public authorities to play our part in supporting the effective functioning of the financial system and the broader economy	We aim to deliver robust returns and long-term sustainable value for investors	We enable market expansion through deeper rural penetration along with usage of technology for improved customer experience	A positive relationship enables us to raise growth capital in a timely and cost-effective manner	Through the engagement of suppliers, both locally and globally, we seek to support our business with the provision of efficient and sustainable goods and services
Their interests	• Climate change • Human rights • Financial inclusion • Social impact	• Capability building, development and enhancement of skills • Positive and enabling work environment • Safety and security • Employee wellbeing	• Differentiated product and service offering • Digitally enabled and positive experience • Sustainable finance	• Strong capital base and liquidity position • Robust standards for conduct • Positive sustainable development • Digital innovation in financial services • Operational resilience • Customer protection	• Strong and sustainable financial performance • Progress on ESG matters	• Business performance • Health of assets • Operational and resource efficiencies	• Timely repayment of both principal and interest • Adherence to a healthy credit discipline • Timely updates on financial performance of the Company	• Sustainability and diversity • Open and transparent process • Accurate and on-time payments
Mode and frequency of engagement	• CSR initiatives - ongoing • Volunteering activities • Community need identification - ongoing as per CSR project requirements • Community engagement initiatives • Impact assessment studies	• Training calendar - annual • Talent management and employee development initiatives - ongoing • Performance appraisal - bi-annual and annual • Employee engagement activities - ongoing • Diversity and inclusion initiatives - annual	• Gram Sabha - ongoing • Customer meets/Shikhar Sammelan - ongoing • Dealer and OEM events such as loan mela and roadshows - ongoing • Mandi Diwas - weekly • Saathiya Diwas - ongoing • NOC Activity - monthly	• Continued engagement and representation • Quarterly and annual compliance reports • Performance reports shared with the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI), Ministry of Corporate Affairs	• Quarterly investor calls/ presentations • Quarterly financial statements • Annual general meeting (AGM) • Annual report • Annual business responsibility report and sustainability report • Postal ballot • Letters and emails	• Dealer portal - formal mechanism • Informal engagement - ongoing • Dealer and OEM events such as dealer meets and roadshows - ongoing	• Quarterly and annual results • AGM and other disclosures • Engagement with Treasury and Corporate Affairs team - ongoing	• Informal engagement - ongoing • Dealer engagement meets • BRSR training for Suppliers
Topics of engagement	• Local employment generation • Gender equality • Carbon emissions/ footprint • Waste management • Financial literacy • Community initiatives	• Local employment generation • Happy and productive employees • Employee growth and development • Human rights • Safety • Diversity and equal opportunity • Community initiatives	• Digital disruption • Customer need identification and satisfaction • Brand • Customer privacy • Product portfolio • Financial product and services information	• Credit rating • Governance • Transparency and disclosures • Investor security • Representation with regulators • Environmental, Social and Governance (ESG) aspects	• Credit rating • Sustainable business model • Governance • Return on net worth/ earnings per share • Communications with investors • Exponential growth • Cost rationalisation	• Market share • Business profitability • Dealer relations and satisfaction • Service and support • Sustainable supply chain	• Credit rating • Sustainable/relevant business model • Governance and risk management • Lender relationship • ESG risks and opportunities	• Sustainable supply chain • Fair procurement practices • Brand • Supplier engagement and development • Compliance with regulatory/statutory requirements • Community initiatives

Materiality

Identifying mutual concerns to benefit all

With a strong understanding of our operating environment, we actively assess the factors that affect our performance and value creation. As a responsible and sustainable business, we diligently evaluate the material issues that shape stakeholder perceptions and decisions. These issues serve as the foundation for our thought processes, reporting practices, governance, and strategy development, enabling us to effectively meet stakeholder expectations.

Materiality process

Identify
Material issues are determined through a wide range of inputs, including regulatory reviews, benchmarking and through group management processes

Prioritise
Material issues are prioritised in terms of their potential impact on business, external operating environment and key stakeholders

Validate
Validate with the management

Disclose
The most material topics are mapped to the relevant GRI standards indicators and its progress is disclosed.

Material issues

Human Capital

Material topics	GRI/ Non-GRI	GRI standard indicator used	Boundary	Impact	KPIs
Employee training and education	GRI/Some Non-GRI internal KPIs	404-1, 404-2, 404-3	Within Mahindra Finance	Employees are our brand ambassadors who carry forward the Company's mission of transforming rural lives and driving positive change in the communities. We have accordingly placed great emphasis on employee learning and development, mentoring, and knowledge sharing through various initiatives and structured programmes.	Increase in training coverage
Diversity and equal opportunity	GRI	405-1	Within Mahindra Finance	We are an equal-opportunity employer when it comes to attracting, retaining and developing new talent. These all help drive a respectful and inclusive workplace for our colleagues, better service to our customers and engagement with our communities.	Refer GRI-KPI
Employee engagement	Non-GRI	Non-GRI	Within Mahindra Finance	Mahindra Finance makes employee engagement a high priority, recognising that an engaged workforce performs better, is more committed and delivers a stronger customer focus.	Employee engagement/ satisfaction survey

Materiality

Financial Capital

Material topics	GRI/ Non-GRI	GRI standard indicator used	Boundary	Impact	KPIs
Credit ratings	Non-GRI	Non-GRI	Within Mahindra Finance	We believe that our strong credit rating improves access to capital at competitive rates. Eventually helping us to fund the aspirations of rural India. Thus, credit ratings have an impact on operational and financial decisions along our value chain, from ensuring investor security to meeting our customers' needs.	Credit rating from two rating agencies
Economic performance	GRI	201-1, 201-2, 201-3	Within Mahindra Finance	We focus on delivering sustainable value to our customers and the wider fraternity of stakeholders, despite challenges such as industry volatilities or economic hardships. We take a longer view of the business and evolve an appropriate roadmap to strengthen the core fundamentals of our business.	Refer GRI- KPI

Intellectual Capital

Material topics	GRI/ Non-GRI	GRI standard indicator used	Boundary	Impact	KPIs
Digital innovation and disruption	Non-GRI	Non-GRI	Within Mahindra Finance	We have been at the forefront of leveraging state-of-the-art technology platforms for deriving business benefits and differentiation in the marketplace through automation, digitalisation and analytics. The full set of digital payment options and the integration with partner networks has significantly supplemented the collection efforts of collections on the field and at the branches.	Onboarding on mobile app for customers Increase digital collections

Social and Relationship Capital

Material topics	GRI/ Non-GRI	GRI standard indicator used	Boundary	Impact	KPIs
Customer relationship management	Non-GRI	Non-GRI	Within and outside Mahindra Finance	We maintain a high level of customer centricity in our business and endeavour to meet the changing needs of customers by offering customised financial products and services. Through our vast experience and market knowledge we are providing financial resources to the under serviced parts of the nation. Thus, being instrumental in financial inclusion.	CaP score survey
Local communities and corporate citizenship	GRI/some non-GRI internal KPIs	413-1	Within and outside Mahindra Finance	Our Corporate Social Responsibility (CSR) initiatives attempts to transform the landscape of our businesses with a focus on creating value for indigent communities that desire a secure future by creating sustainable livelihoods for them.	Increase in number of beneficiaries for flagship programme for drivers

Natural Capital

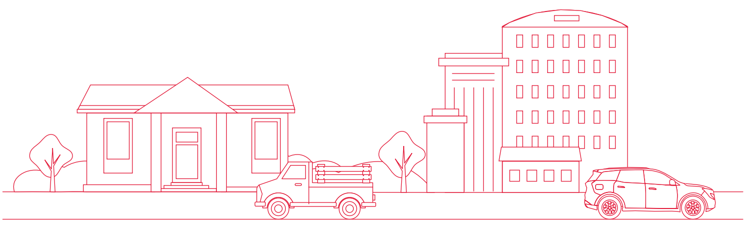
Material topics	GRI/ Non-GRI	GRI standard indicator used	Boundary	Impact	KPIs
Climate strategy	GRI/Some Non-GRI internal KPIs	305-1, 305-2, 305-3, 305-4, 302-1, 302-3	Within and outside Mahindra Finance	We are committed to minimising our environmental impact and building operational resilience to the effects of climate change on our business and the communities we serve. We have also mapped and identified risks pertaining to sustainability and climate change and shared them for inclusion in our risk register.	Maintaining declining trend in CO_2 emissions per employee (tonnes of CO_2eq per employee) Increase the plantation with focus on survival rate Financing M&M EVs

Sustainability strategy

Making sustainable choices

We create lasting impact for our customers, employees, and investors and aim for the social and environmental change that makes our stakeholders proud to work with us. This is only possible by focusing on delivering sustainable operations.

We align our performance with the three pillars of the Mahindra Group Sustainability Framework for long-term value creation. The alignment with material topics of the Mahindra Group sustainability framework allows us to remain consistent with our parent organisation's vision and strategy.



Mahindra Group Sustainability Mandate

Greening ourselves	Decarbonising our industries (addressing Scope 3)	Rejuvenating nature
Net Zero on Scope 1+2 emissions (RE usage and energy efficiency)	Transition to green portfolio (EVs in auto, LMM and Logistics; Green Buildings and Resorts; Green Energy-solar, hybrid, storage)	Promoting regenerative agriculture (via improved farming techniques)
Net Zero on water and waste (reuse, reduce and recycle)	Supporting transition to net zero supply chain (e.g. Logistics)	Afforestation at scale (Hariyali programme)
Adopting material circularity (reduce, recycle and green material)	Industry circularity (e.g. auto recycling)	Biodiversity conservation (impact assessment and restoration)

Sustainability roadmap

People

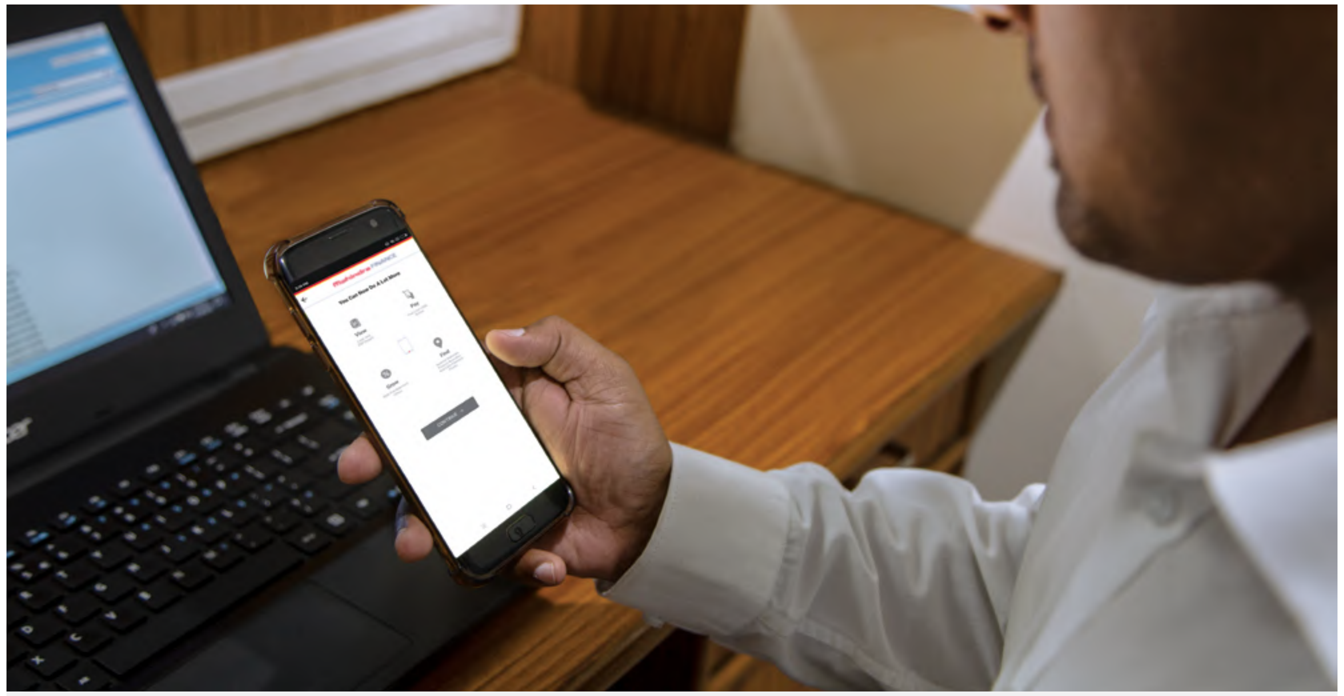
Enabling stakeholders to rise

Material topic	Goal statement	Measure of performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Human Capital						
Employee training and education	Create a more engaged work environment	Satisfaction survey		MMFSL ≥ 4.45		MMFSL - 4.69
				MRHFL - 4.40+		MRHFL - 4.62
				MIBL - ≥ 4.45		MIBL - 4.25
	Build people capabilities	Increase in training coverage		MMFSL 0 >60%		MMFSL - 90.73%
				MRHFL - Maintain training coverage of 85% and above for all employees		MRHFL - 94.4%
			MIBL - 83%	84%	85%	MIBL - 85%
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	25,000	27,500	30,250	1,62,400+

Planet

Minimising our environmental impacts

Material topic	Goal statement	Measure of performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Natural Capital						
Climate Strategy (managing carbon emissions)	Ensure continual reduction in carbon emissions	Maintaining declining trend in CO_2 emissions per employee (tonnes of CO_2eq per employee)	MMFSL - **0.77**	MMFSL - **0.69**	MMFSL - **0.63**	MMFSL - **0.69**
			MRHFL - **0.24**	MRHFL - **0.22**	MRHFL - **0.21**	MRHFL - **0.35**
			MIBL - **0.65**	MIBL - **0.59**	MIBL - **0.53**	MIBL - **1.20**
	Increase plantation of tree across India	Increase the plantation with focus on survival rate	**30,000**	**34,500**	**39,675**	**2,94,000+**
	Increase financing of EVs	Financing M&M electric vehicles	**41%** market share	**50%** market share	**50%** market share	**44%** market share



Profits

Building evergreen businesses

Material topic	Goal statement	Measure of performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Intellectual Capital						
Digital innovation and disruption	Digital innovation and disruption	Onboarding on mobile app for customers	**5 lakh** registered users	**6 lakh** registered users	**7 lakh** registered users	**8.7 lakh** registered users
		Increase digital collections	MMFSL **₹ 3,500 crores**	MMFSL **₹ 4,000 crores**	MMFSL **₹ 5,000 crores**	MMFSL **₹ 8,469 crores**
			MRHFL - **20%**	MRHFL - **25%**	MRHFL - **30%**	MRHFL - **32%**
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			AAA/Stable from all rating agencies
			MRHFL - Maintaining current rating of AA+			CRISIL: AAA/Stable India Ratings and CARE: AA+/ Stable
Customer relationship management	Improve CaP score	CaP score survey	MMFSL - Maintain score of 60 and above	MMFSL - Maintain score of 60 and above	MMFSL - Maintain score of 60 and above	MMFSL - 56
			MRHFL - Maintain score of 30 and above	MRHFL - Maintain score of 30 and above	MRHFL - Maintain score of 30 and above	MRHFL - 55
			MIBL - NA for 2021	CaP score of 55	CaP score of 60	MIBL - not conducted

Unparalleled reach across India's length and breath

We believe in reaching customers, irrespective of the location or the social stratum; our deep local connection is a cornerstone.

Our network transcends geographic, linguistic, and cultural barriers. We operate an extensive network of 1,386 offices, spanning 27 states and 7 union territories.

Our nationwide network of branches and locally recruited employees have facilitated catering to the diverse financial requirements of our customers by identifying and understanding their needs and aspirations.

We aspire to be the gateway for the financial needs of all our countrymen who reside in the remotest corners of rural and semi-urban areas, and hence, we have been expanding our physical footprint in terms of the branch network.

Governance

Strong foundation for maximising value

Strong governance is essential to building a resilient and successful organisation in which sustainability is entrenched at all levels. We engage openly and transparently with all stakeholders through our governance processes to create a comprehensive and fair business. Robust policies, standards and management systems guide our operations to address risks and opportunities and enable us to measure our performance and meet our commitments.

Our reputation as an ethical and trustworthy Company is our most important asset. Strong governance, comprehensive risk management and operational excellence are central to our business success and sustainability strategy. We have an active, experienced, and well-informed Board. Through our governance mechanism, the Board along with its Committees accepts its fiduciary responsibilities to all our stakeholders - ensuring transparency, fair play, and independent decision-making.

Sustainability governance structure

M&M Group Sustainability Council (At M&M Group Level)

A cross-sector committee of senior executives chaired by a member of the Group Executive Board. Mr. Ramesh Iyer, Vice Chairman & Managing Director - Financial Services Sector, is a member of the Mahindra & Mahindra Group Sustainability Council.

Mahindra Finance Sustainability Council

To act as a liaison between the Mahindra Finance businesses and the Group Sustainability Council. Consists of a cross-functional team using an integrated network.

Responsibilities are to:

- Effectively integrate sustainability into business strategy and practices
- Ensure all relevant sustainability policies and goals are well-informed, aligned and efficiently executed
- Ensure a high level of organisational understanding, alignment and engagement of the sustainability vision throughout the Company

Sustainability champions (FSS Level)

Leading sustainability for each business with responsibility for:

- Disseminating information, ensuring monitoring and review of data and information
- Being a single point of contact between the businesses and the sustainability cell
- Ensuring reporting under the GRI framework
- Implementing initiatives and driving sustainability awareness programmes

Region-wise Sustainability Champions (Regional Office level)

Overall responsibility at the regional office for data collection. They are aided by a team of sustainability enthusiasts to implement various sustainability activities.

Board's role

The Board has the primary responsibility for setting the strategic direction of the Company and ensuring that the Company's affairs are appropriately managed. This involves establishing the corporation's strategic direction, evaluating and approving strategic initiatives, and assessing the issues, forces, and risks that drive the Company's long-term performance. The Board is tasked with the crucial responsibility of overseeing and ensuring the Company's long-term growth and success.

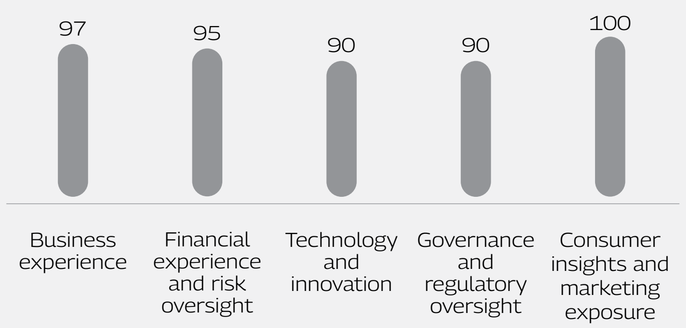
Key responsibilities

- Strategising
- Challenging and supporting the management to drive sustainable value creation for shareholders
- Entrepreneurial and ethical leadership and engaging with stakeholders
- Promoting our culture, purpose, and values
- A framework for effective internal and financial control and prudent risk management
- Compliance with law and recognition

Expertise

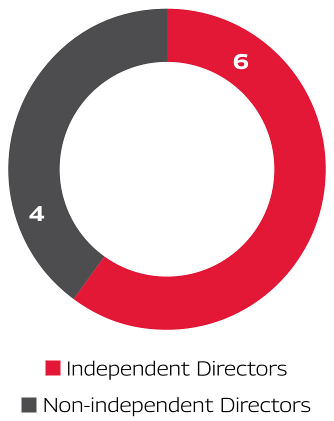
MMFSL's Board brings together a wealth of knowledge, perspective, professionalism, divergent thinking, and experience.
Our Board members have a deep understanding of governance, technical, financial, and non-financial issues.

Board expertise
(%)

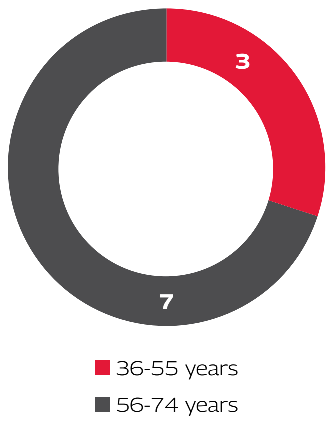


Board demographics

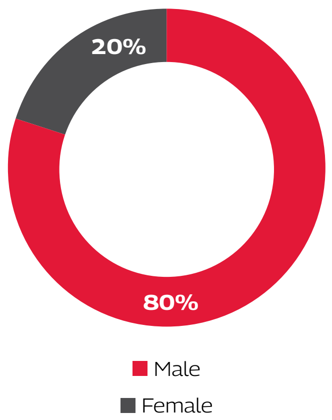
Board Independence



Board age profile



Board diversity



60
Average Director age
as on 23rd June 2023

5.30 years
Average tenure of Independent Directors

94%
Average attendance rate in Board meeting

8 out of 9
Committee Chairpersons are IDs

2
Independent Women Directors

Board committees

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.

- AC — Audit Committee
- NRC — Nomination and Remuneration Committee
- SRC — Stakeholders Relationship Committee
- CSRC — Corporate Social Responsibility Committee
- ALC — Asset Liability Committee
- RMC — Risk Management Committee
- CSI — Committee for Strategic Investments
- ITSC — IT Strategy Committee
- DAIC — Digital and AI Committee

Performance evaluation of Board and Directors

The performance 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.

Policies and standards

We have developed policies for our businesses considering our Group policies, values, and principles. We empower our employees to learn, understand, and apply improvement techniques to reach the industry's best standards and beyond. To learn more about our policies, please refer - https://mahindrafinance.com/investor-zone/corporate-governance#Policies

Whistle blower

Measures of creating awareness:

Channels of Reporting:

- Set up of an Independent third party Ethics Helpline Service Portal: **https://ethics.mahindra.com**
- Toll free No: **000 800 100 4175**

Dissemination of information vide Notice Boards, Emailers, on the intranet and website of the Company, Training Modules.

Prevention of insider trading

Jagrut Insiders

Measures pertaining to prevention of Insider Trading including:

1. Launch of Audio Visual Training Module with score-based assessment.
2. Periodical reminders/ awareness on window closures/ PIT Regulations through Jagrut Insider ppts, including through WhatsApp group, Desktop message on closure of window.
3. Physical Induction Sessions with new joiners on a periodic basis.

Best secretarial practices

- Quarterly Confirmation given to Committees of Board that it's Terms of Reference have been complied with.
- The Company endeavours to send Agenda & Notes to the Directors at least 9 days prior to the Meeting against the statutory timeline of 7 days.
- The Minutes of Meetings of Board and Committees are strived to be shared within 10 days of completion of the Meeting, as against the statutory timeline of 15 days.
- A Summary of all important proposals is sent separately to the Directors prior to the Meeting as a ready reference. Even summary of minutes of such Meetings is shared with them.
- 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 for review.

Board Portal

We migrated to a new secured Board portal which inter-alia provides a one stop and seamless solution for access and archive to Board/ Committee materials to all the Directors.

Quarterly Secretarial Audit

Secretarial Audit of the Company is conducted on a Quarterly basis in addition to the Annual Secretarial Audit mandate.

Shareholder Satisfaction Survey

Portal created for investor feedback on the services provided by the Company and its Registrar and Transfer Agent.

Annual Secretarial Compliance Report ("ASCR")

The ASCR for FY2023 was issued with additional confirmations on compliance by the Company with respect to maintenance of Structured Digital Database under Insider Trading Regulations, Related Party Transactions, updation of Policies, disclosure of material events to Stock Exchanges etc.

Strengthening the compliance environment with RBI directives

Compliance with Scale Based Regulations ("SBR")

The SBR was notified by the Reserve Bank of India ("RBI") effective 1st October 2022. The RBI has classified Mahindra Finance as NBFC in Upper Layer ("UL"). We have ensured full compliance with various requirements prescribed under SBR for NBFC-UL within the specified timelines including adopting policy for enhanced regulatory framework, Internal Capital Adequacy Assessment Process Policy (ICAAP), complying with large exposure norms, setting limits for sensitive sector exposure etc.

Risk Based Internal Audit ("RBIA") framework

The Audit Committee has approved a Risk Based Internal Audit ("RBIA") framework, along with appropriate processes and plans for internal audit for FY2023 and FY2024. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, and compliance with laws and regulations.

ICAAP

The Board has adopted Internal Capital Adequacy Assessment Process ("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.

Setting benchmarks on compliance

- Standardisation of product policies
- Daily Liquidity Coverage Ratio implemented
- Compliance policy put in place
- FPC (Fair Practice Code) revamped
- AML & KYC training module formulated and pan-India trainings initiated
- Implementation of IDEA software for monitoring exceptions
- Strengthening of process for repossession of NPA

Chief Compliance Officer	Internal Ombudsman	Chief Risk Officer
Appointed a Chief Compliance Officer to oversee and monitor compliances as applicable to the Company. Adoption of Board approved Compliance Policy which lists down, inter-alia, the Compliance philosophy and culture, processes for identifying, assessing, monitoring, managing, and reporting on Compliance risk.	Appointed an Internal Ombudsman ("IO"). A Report of number of complaints escalated to IO and status of disposal of such complaints is placed before the Board for its review.	Chief Risk Officer ensures the implementation of the Risk Management Policy and Framework including systematic identification and mitigation of various risks faced by the Company.

CSR Grants Manual and Dissemination Workshop

In pursuit of good governance, the Company designed a "CSR Grants Management Manual" for its CSR Implementation partners. The purpose of the manual is to build the capacities of the CSR implementation partners to manage the CSR grant and fulfil compliance of CSR provisions in letter and spirit.

The manual provides guidance on how to strengthen internal controls at each stage of the project management and how to improve their processes, procedures and operations-related MMFSL-supported CSR programmes. The manual was developed in the consultative manner with the CSR implementation partners of the Company.

Our approach to public policy and advocacy

We are a member of several industry associations that share our common goals, and we routinely work together to advance public policies of interest to us and the financial services industry.

Name of the Industry Association/Institution	Type of Association/Position Held
Finance Industry Development Council (FIDC)	Chairman of FIDC
Federation of Indian Chambers of Commerce and Industry (FICCI)	Member of the NBFC Taskforce
Confederation of Indian Industry (CII)	Co-Chairman of National Committee on Financial Inclusion & Digitisation
Bombay Chamber of Commerce and Industry	Member of Banking & Finance Committee
IITB-Washington University	Member of the Board of Advisors
IMC Chamber of Commerce and Industry	Co-Chairman of NBFC Committee
Assocham	Chairman of National Council on Non-Banking Finance Services & Infrastructure Finance

Governance

Board of Directors

as on 31st March 2023

Standing - Left to Right

1 **Mr. Siddhartha Mohanty***
Non-executive Director

2 **Mr. Dhananjay Mungale**
Independent Director

3 **Mr. C. B. Bhave**
Independent Director

4 **Mr. Amit Kumar Sinha#**
Non-executive Director

5 **Mr. Milind Sarwate**
Independent Director

Sitting - Left to Right

1 **Mr. Diwakar Gupta**
Independent Director

2 **Ms. Rama Bijapurkar**
Independent Director

3 **Dr. Anish Shah**
Non-executive Chairman

4 **Dr. Rebecca Nugent**
Independent Director

5 **Mr. Ramesh Iyer**
Vice-Chairman & Managing Director

*Ceased to be Director with effect from 12th May 2023
#Shall cease to be Director with effect from 28th July 2023

NRC CSI

Dr. Anish Shah

Non-executive Chairman

Dr. Anish Shah is the Managing Director and CEO of Mahindra & Mahindra Limited. He joined Mahindra Group in 2014 as Group President (Strategy) and worked closely with all businesses on key strategic initiatives, built capabilities such as digitisation and data sciences and enabled synergies across Group companies. In 2019, he was appointed Deputy Managing Director and Group CFO, with responsibility for the Group Corporate Office and full oversight of all businesses other than the Auto and Farm sectors, as a part of the transition plan to the CEO role.

Dr. Shah was President and CEO of GE Capital India from 2009-14, where he led the transformation of the business, including a turnaround of its SBI Card joint venture. His career at GE spanned 14 years, during which he held several leadership positions at GE Capital's US and global units. As Director of Global Mortgage, he worked across 33 countries to drive growth and manage risk. As Senior Vice President (Marketing and Product Development) at GE Mortgage Insurance, he led various growth initiatives and played a key role in preparing the business for an IPO as a spinoff from GE. In his initial years with GE, he also led Strategy, eCommerce, and Sales Force Effectiveness and had the unique experience of running a dot-com business within GE. Dr. Shah also received GE's prestigious Lewis Latimer Award for outstanding utilisation of Six Sigma in developing a "Digital Cockpit."

He has diverse experience with global businesses beyond GE. He led Bank of America's US Debit Products business, where he launched an innovative rewards programme, led numerous initiatives in payment technology and worked closely with various teams across the Bank to enhance value for the customer.

As a strategy consultant at Bain & Company in Boston, he worked across multiple industries, including banking, oil rigs, paper, paint, steam boilers, and medical equipment. His first role was with Citibank in Mumbai, where he issued bank guarantees and letters of credit as Assistant Manager, Trade Services.

Mr. 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.

CHAIRPERSON MEMBER

AC - Audit Committee
NRC - Nomination and Remuneration Committee
SRC - Stakeholders Relationship Committee
CSRC - Corporate Social Responsibility Committee
ALC - Asset Liability Committee
RMC - Risk Management Committee
CSI - Committee for Strategic Investments
ITSC - IT Strategy Committee
DAIC - Digital and AI Committee

Governance

ALC SRC CSRC RMC CSI ITSC DAIC

Mr. Ramesh Iyer

Vice-Chairman and Managing Director

Mr. Ramesh Iyer's key mandate at Mahindra Group is to drive inclusive growth aligned to the Group's guiding belief of driving rural prosperity. He has been instrumental in building Mahindra Finance since 1994 into one of India's leading rural finance companies.

Mr. Iyer manages the Financial Services Sector of the Mahindra Group with total Assets Under Management (AUM) of the Sector being an upwards of ₹ 1,00,000 crores (around $ 13 billion). This Sector includes Mahindra & Mahindra Financial Services Limited (a listed Entity with over $ 4 billion market capitalisation), Mahindra Insurance Brokers Limited, Mahindra Rural Housing Finance Limited, Mahindra Manulife Investment Management Private Limited, Mahindra Manulife Trustee Private Limited and Mahindra Ideal Finance, Sri Lanka. He also oversees the operations of Mahindra Finance USA, LLC. a U.S. joint venture with De Lage Landen Financial Services Inc. (DLLFS) a wholly-owned subsidiary of the Rabobank Group.

Mr. Iyer has been closely involved in the development of the country's dynamic Financial Services Sector. Mr. Iyer is the Chairman of the Finance Industry Development Council (FIDC) and also co-chairs the NBFC Committee of the IMC Chamber of Commerce & Industry. He is a member of various Committees like the CII National Committee on Financial Inclusion and Digitisation, the CII National Committee on Leadership & HR, the Banking & Finance Committee of the Bombay Chamber of Commerce and Industry (BCCI) and the Taskforce of NBFCs of the Federation of Indian Chambers of Commerce and Industry (FICCI).

Apart from being on the various bodies of the Financial Services Sector, Mr. Iyer is also on the Advisory Boards of various Educational Institutions like IITB-Washington University, Vidyalankar Institute of Technology - School of Management, WeSchool's PGDM-Rural Management Committee and on the College Development Committee of Vivek College of Commerce.

Mr. Iyer holds a Bachelor's degree in Commerce and a Master's degree in Business Administration.

NRC CSRC CSI AC ALC RMC

Mr. Dhananjay Mungale

Independent Director

Mr. Dhananjay Mungale is a seasoned banker and finance professional with extensive global experience in investment banking, corporate banking, and private banking across Europe and India. Over 25 years, he served in leadership positions in Europe and India at Bank of America and DSP Merrill Lynch.

Since 1999, Mr. Mungale serves on the Boards of eminent Companies in India as an independent director. Over the period these have included Mahindra Finance, JP Morgan Asset Management, L&T Infra Finance, LIC Housing Finance, Mahindra CIE Automotive, TN Petro Products, DSP Blackrock, Kalpataru Ltd., NOCIL Ltd., Chowgule Steamship etc. He also serves on Advisory Boards of select private equity organisations and investment committees of family offices in India and London. He also regularly mentors young talent in the Fintech start up sector across India and abroad.

Besides his business and professional achievements, Mr. Mungale also finds time to work with eminent institutions in educational and not-for-profit domains as a member of their Governing Councils. These have included Mahindra United World Colleges and Oxford Centre for Hindu Studies.

Mr. 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.

AC RMC NRC SRC ITSC

Mr. C. B. Bhave

Independent Director

Mr. Chandrashekhar Bhave started his career in the Indian Administrative Service (IAS) in 1975 after completing his Bachelor's degree in Electrical Engineering. He worked in different positions in the Central and State Governments and also won awards from the Government of Maharashtra for his outstanding work in the area of family welfare and excellence in administration. He then worked in the Securities and Exchange Board of India (SEBI) as a Senior Executive Director from 1992-1996, helping create the regulatory infrastructure for Indian capital markets.

Mr. Bhave then took voluntary retirement from the IAS to set up the National Securities Depository Limited (NSDL) in 1996 and was its Chairman and Managing Director from 1996 to 2008. Mr. Bhave was the Chairman of SEBI, India's capital markets regulator, from 2008 to 2011. He was also the Chairman of the Asia-Pacific Regional Committee and a member of the Technical and Executive Committees of the International Organisation of Securities Commissions (IOSCO) over this period.

Mr. Bhave had several professional affiliations that include:

- Member of the Board of the Public Interest Oversight Board (PIOB), Madrid which supervises the work of the standard-setting bodies of the International Federation of Accountants from the perspective of public interest (2011-2017).
- Trustee of the IFRS Foundation, London that oversees the International Accounting Standards Board (2012-2017).

Mr. Bhave is the Non-executive Chairman of the Indian Institute for Human Settlements, a non-profit organisation established to create and disseminate knowledge related to human settlements in the context of urban areas.

SRC AC RMC CSRC

Ms. Rama Bijapurkar

Independent Director

Ms. Rama Bijapurkar is a respected thought leader on business-market strategy and India's consumer economy and has four decades of experience in market research and marketing and business strategy consulting.

She is a very experienced independent director, having served on the Boards of several blue-chip corporates, including in the financial services sector and social organisations, and has also served on the governing councils of academic institutions and social organisations.

She has been Visiting Faculty and Professor of Management Practice at the Indian Institute of Management Ahmedabad. She is also an author of acclaimed books on India's consumer market and consumer-based business strategy.

Ms. 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).

CHAIRPERSON MEMBER

ITSC AC NRC ALC
RMC CSI DAIC

Mr. Milind Sarwate

Independent Director

Mr. Milind Sarwate, Founder & CEO of Increate (https://increate.in/), is an Advisor, Mentor, Independent Director, & ESG Contributor. Increate means "Uncreated" or "Undiscovered". The firm accordingly works towards business and social value creation, with a focus on capability-building, and the governance & social aspects of ESG.

His independent directorships include Asian Paints, Mahindra Finance, FSN E-Commerce (Nykaa), Matrimony.com, and Hexaware. Mr. Sarwate specialises in audit committee roles. He has been on listed company boards since 2005. His previous board memberships include Mindtree and International Paper.

His 39-year experience includes long stints as CFO and CHRO in Marico & Godrej.

Mr. Sarwate is a Chartered Accountant (1983), Cost Accountant (1983), Company Secretary (1984), and a CII-Fulbright Fellow (Carnegie Mellon University, USA, 1996). He has been awarded ICAI CFO Award (2011), CNBC TV-18 CFO Award (2012) & CFO India Hall of Fame induction (2013).

DAIC ITSC

Dr. Rebecca Nugent

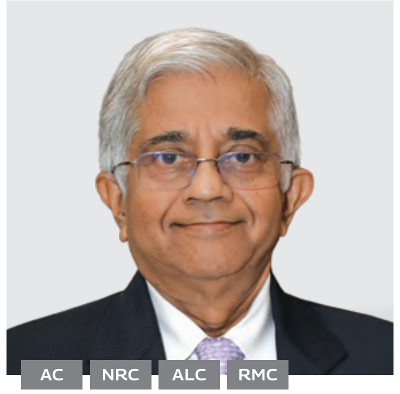
Independent Director

Dr. Rebecca Nugent is the Stephen E. and Joyce Fienberg Professor of Statistics & Data Science Department Head for the Carnegie Mellon Statistics & Data Science Department and an affiliated faculty member of the Block Centre for Technology and Society. She has over 15 years of experience in university-level academia in statistics & data science consulting, research, applications, education, and administration. Dr. Nugent is the co-chair of the National Academy of Sciences, Engineering, and Medicine study on Improving Defense Acquisition Workforce Capability in Data Use and recently served on the NASEM study Envisioning the Data Science Discipline, The Undergraduate Perspective.

Dr. Nugent is the Founding Director of the Statistics & Data Science Corporate Capstone programme, an experiential learning initiative that partners with industry and government organisations on developing and deploying data science solutions to current business challenges and regularly consults with global enterprises in finance, marketing, health care, and educational technology. Dr. Nugent has worked extensively in clustering and classification methodology with an emphasis on high-dimensional, big-data problems and record linkage applications and has served in related leadership positions, including President of the International Federation of Classification Societies (slated for 2022).

She has won several national and university teaching awards, including the American Statistical Association Waller Award for Innovation in Statistics Education and serves as one of the co-editors of the Springer Texts in Statistics.

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.



AC NRC ALC RMC

Mr. Diwakar Gupta

Independent Director

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.

Mr. Gupta is a seasoned Banker having over 48 years of experience in the banking and financial services sector. He was associated with the State Bank of India (SBI) for 39 years, where he held several top executive/senior management positions and demitted office as its Managing Director and Chief Financial Officer in 2013. During his tenure with SBI, he had, among various diverse assignments, partnered with Unique Identification Authority of India Limited for the rollout of the biometric-based unique identification programme of the Government of India (Aadhaar).

Mr. Gupta was also the Chief Executive Officer of SBI Cards and Chief Operating Officer of State Bank of Patiala, a subsidiary of SBI. After his stint in SBI, he worked as a Senior Advisor (Banking Project) at Aditya Birla Nuvo Ltd. and as an Advisor at India Value Fund Advisors, a leading India-focused PE fund (since rebranded as True North). Mr. Gupta has also worked with the Asian Development Bank, Manila (ADB), where he oversaw the private sector and PPP operations of the Bank and participated in the Bank's broader corporate initiatives like launching and operationalising the biometric-based National ID system of the Philippines (akin to Aadhaar), and creating ADB Ventures, a donor-funded hybrid venture trust fund. He has chaired the Digital Innovation Sandbox and has been a member of the steering committee supervising ADB's digital agenda.

Mr. Gupta was a Member of the Expert Committee for Resolution Framework for COVID-19-related Stress, constituted by RBI in 2020. He was Chairman of the Task Force created by the Department of Financial Services, Ministry of Finance, Government of India, to review consortium / multiple lending and suggest measures to make it more efficient. He was also a member of the High-Level Steering Committee to review the Supervisory Processes of Banks, chaired by the Deputy Governor of the Reserve Bank of India.

CHAIRPERSON MEMBER

Mr. Raul Rebello

Executive Director & MD and CEO - Designate
(Appointment effective 1st May 2023)

Mr. Raul Rebello is a career banker with extensive experience in the domain of Rural Banking and Financial Inclusion. He joined Mahindra & Mahindra Financial Services Limited (MMFSL) on 1st September 2021 as the Chief Operating Officer of the Company. Over the past 21 months, he has capably led the growth and transformation journey in MMFSL, demonstrating strong leadership.

Before joining Mahindra Finance, he was with Axis Bank as EVP & Head - Rural Lending & Financial Inclusion. In his 21 years stint with Axis Bank, Mr. Rebello led key businesses, including Rural Lending, Farmer Funding, Gold Loans, MSME lending, Commodity Loans, Tractor & Farm Equipment Lending, Agri-Value chain Deposits, Payments & Insurance. He also led the Business correspondent channel, including 15,000+ partner outlets and the Micro-ATM channel of the Bank. He played a pivotal role in increasing the Banks Distribution in rural and semi-urban areas through light format Banking outlets, Micro-ATMs and Rural ecosystem partnerships.

Mr. Rebello is credited with several transformational interventions, viz. introducing various end-to-end digital initiatives and paperless loan journeys for low-income households, besides launching suitable phygital tools and customer journeys. Under his leadership, Axis Bank won the prestigious Financial Inclusion Award at the Asian Banking and Finance Awards in 2019 and 2021.

He represents a strong combination of business leadership and social commitment, which aligns with the Mahindra Group's core purpose of Rise. He is personally passionate about impacting the livelihoods of low-income communities and agrarian households.

He is a Post Graduate in Management from the Goa Institute of Management.

Mr. Ashwani Ghai

Non-executive Director
(Appointment effective 23rd June 2023)

Mr. Ashwani Ghai has long and diverse work experience, across functions and geographies, in LIC of India and Board level experience in LIC Housing Finance Ltd and LICHFL Financial Services Ltd. He is a post-graduate in Economics, PGEP from IIM Ahmedabad & Fellow of the Insurance Institute of India (FIII).

In his work experience of 35+ years in LIC of India and LIC Housing Finance, Mr. Ghai has worked across multiple functions viz. Marketing, HR, Investments, Fund Management, Enterprise Risk Management, Organisational Restructuring, Compliance, IPO launching of LIC, Business Strategy Formulation and its implementation etc.

Before joining as Additional Director, Management Development Centre of LIC of India, Mr. Ghai held a variety of positions, in LIC of India and LIC Housing Finance Ltd, including Chief Operating Officer & Whole Time Director of LIC Housing Finance Ltd., Non-executive Director on the Board of LICHFL Financial Services Ltd, Executive Director (IPO Cell) of LIC where he handled the job of steering the preparatory work and successful listing of shares of Life Insurance Corporation of India, Chief (Investment Operations) of LIC Of India and Executive Director (Strategy Implementation) in LIC Of India.

Mr. Amarjyoti Barua

Non-executive Director
(Proposed appointment effective 28th July 2023)

Mr. Amarjyoti Barua holds a Bachelor's degree in Economics and a Master's degree in Business Administration.

Mr. Barua is the Executive Vice-president of Group Strategy, Mahindra & Mahindra Ltd. ("M&M") since May 2023. He is a member of the Group Executive Board. In his current role, he is leading the Group Strategy Office and works with the Group's overall portfolio of businesses for growth over the short and long term.

Before joining M&M, Holding Company of the Company, Mr. Barua was the Finance Leader for the Oilfield Services & Equipment (OFSE) segment of Baker Hughes. As the finance leader for OFSE, he was responsible for partnering with operations to deliver growth & profitability at the $14 billion, 35000+ employee segment of Baker Hughes. Before Baker Hughes, Mr. Barua held multiple roles at General Electric Co. (GE) for over 18 years. He was the Chief Financial Officer (CFO) for GE's Power Conversion business. He was also the CFO for GE Mining, Financial Planning & Analysis Leader for GE in India and Executive Audit Manager at GE's Corporate Audit Staff. In his early years with GE, Mr. Barua completed the Financial Management Programme and served as the finance manager for GE Aircraft Engines in India before joining the Corporate Audit Staff.

CHAIRPERSON MEMBER

Governance

Steering Committee and CS

Mr. Ramesh Iyer
Vice Chairman & MD

Mr. Raul Rebello
Executive Director &
MD and CEO - Designate

Mr. Vivek Karve
Chief Financial Officer

Ms. Deepa Ranjeet
Senior Vice-President,
Chief-Digital Finance Business

Ms. Farida Balsara
Chief Legal Officer

Mr. Ruzbeh Irani
President-Group Human Resources
Mahindra Group

Mr. Mohit Kapoor
Group Chief Technology Officer,
Mahindra Group

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

Mr. Vedanarayanan Seshadri
MD and Principal Officer,
Mahindra Insurance Brokers Limited

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

Mr. Atul Joshi
Chief-Human Resources & Admin
(Upto 30th June 2023)

Mr. Manish Sinha
CHRO - Mahindra Finance and
Financial Services Sector
(Effective 1st July 2023)

Ms. Mallika Mittal
Chief Risk Officer

Ms. Brijbala Batwal
Dy. Senior Vice-President -
Company Secretary

In step with digital India

From our perspective, technology serves as a reliable companion in generating business value. It holds a pivotal position in enhancing productivity, expanding our customer base, and ensuring superior customer experiences.

We have always invested in advanced technology, translating into cutting-edge products and service offerings, and have been stepping up the digitisation momentum. We have improved our online and mobile presence to provide a better digital experience for our customers as well as convenience for employees, customers, and partners.

We continue to expand ML/AI penetration through business intelligence dashboards and insights which have aided the Company in rolling out business and collections strategic initiatives.

Investors

Focusing on sustainable returns

Our long-term financial resilience depends on the continuing support of the investor community. We aim to communicate transparently with all investors so they understand and remain aligned with our strategy.

Material issues addressed	Key risks considered	SDGs impacted
• Credit ratings • Economic performance	• Liquidity risk • Business risk • Market risk	8

Progress on sustainability roadmap – Investors

Goal statement	Measure performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
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			AAA/Stable from all rating agencies
		MRHFL - Maintaining current rating of AA+			CRISIL: AAA/Stable India Ratings and CARE: AA+/ Stable

At Mahindra Finance, we focus on delivering sustainable value to our customers and the wider fraternity of stakeholders, despite challenges such as industry volatilities or economic hardships. We take a longer view of the business and evolve an appropriate roadmap to strengthen the core fundamentals of our business.

Credit rating

During FY2023, India Ratings & Research Private Limited assigned IND/AAA Stable rating to the Company's Fixed Deposits; CRISIL upgraded the Company's Long Term Rating from "CRISIL AA+/Stable" to "CRISIL AAA/Stable" and also assigned "CRISIL AAA/Stable" ratings to its Fixed Deposit Programme and Non-Convertible Debentures. Further, the other ratings were re-affirmed by the Rating Agencies. With the above rating affirmations, your Company continues to enjoy the highest level of rating from all major rating agencies at the same time.

Adding economic value to stakeholders

We are committed to doing business the right way by adopting best practices and continuously assessing our performance on financial as well as non-financial parameters.

Economic Value Added

₹ in crores

Economic Value Generated and Distributed (EVG&D)	FY2023 (Ind-AS)	FY2022 (Ind-AS)
Economic Value Generated		
a) Revenue	11,056.09	9,718.80
Economic Value Distributed	9,813.09	9,174.84
b) Operating costs	2,183.35	3,272.77
c) Employee wages and benefits	1,584.27	1,171.40
d) Payments to providers of capital	5,286.83	4,333,03
e) Payments to government	713.75	368.16
f) Community investments	44.89	29.48
Economic Value Retained (calculated as economic value generated less economic value distributed)	**1,243.00**	**543.96**

FY2023 performance

During the year under review, we solidified our leadership position across tractor, Mahindra auto and non-Mahindra vehicle segments. Additionally, we achieved a leadership position in the pre-owned car segment during Q4 FY2023. With strong growth in well-established vehicle segments and steady expansion in the SME business, we accomplished our highest annual disbursement record of ₹ 49,541 crores. The dual strategy of enhancing the mass-affluent category to improve asset quality and scaling the pre-owned asset book to enhance margins progressed successfully. Healthy disbursements during the year have helped grow the book - ₹ 82,770 crores, a growth of 27% y-o-y.

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 undertaken resulting in cost optimisation

Capital adequacy

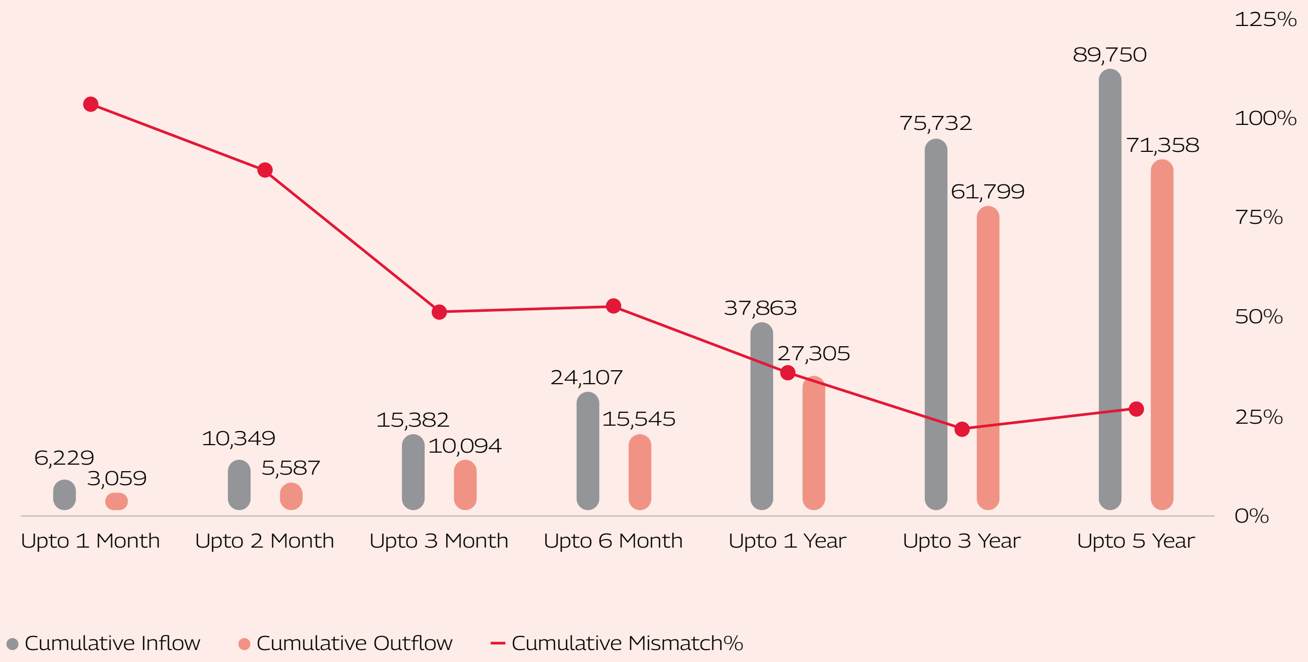
As on 31st March 2023, the Capital to Risk Assets Ratio (CRAR) stood at 22.5%, which is well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India. Out of the above, the Tier-I capital adequacy ratio stood at 19.9%, and the Tier-II capital adequacy ratio stood at 2.6%, respectively.

Asset Liability Management (ALM)

We have a stable business model which has withstood the test of time. It has been steadily strengthened by the rich insight gathered by us, through the decades.

Over the years, we have continued to stick to our core business with a strong sense of discipline. We have strategically chosen the semi-urban and rural geography as our primary areas of focus. A strong balance sheet, well-diversified funding mix, comfortable liquidity profile and steady returns guided us through turbulent times and retained our customers' trust. We always ensure that prudent Loan-to-Value (LTV) ratios are strictly adhered to while lending.

ALM position



Efforts to reduce volatility in asset quality

We have set up collection war rooms to upgrade collection efforts, developed curated collection processes for different customer segments, and employed stringent arbitration for bad debts and loan pools. We have also started using analytics to gauge some early warning signals about exposures that could potentially slip into NPA. In turn, this helps to activate the collection machinery in advance to prevent slippages into the NPA pool.

Consistent improvement in asset quality

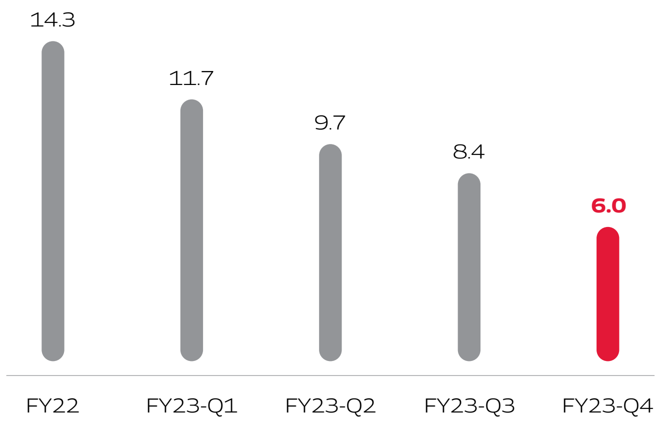
Gross & net stage - 3

(%)

GS-3 reduced from ₹4,976 crores in FY2022 to ₹ 3,717 crores in FY2023

Gross stage - 2

(%)



GS-2 reduced from ₹9,257 crores in FY2022 to ₹ 4,928 crores in FY2023

Customers

Fostering relationships of trust

Being a prominent and esteemed NBFC, we have earned the trust of numerous customers in rural and semi-urban regions of India who rely on us for their financial needs. These customers are the foundation of our business, and we prioritise their satisfaction throughout all levels of our operations. Our focus is on developing and providing services and products that are specifically designed to cater to their requirements, incorporating the latest technologies to enhance convenience and improve their overall experience.

Material issues addressed	Key risks considered	SDGs impacted
Customer relationship management	Pandemic risk	8, 9

Progress on sustainability roadmap - Customers

Goal statement	Measure performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Improve CaP score	Improve CaP score	MMFSL - Maintain score of 60 and above			56
		MRHFL - Maintain score of 30 and above			55
		MIBL - NA for 2021	CaP score of 55	CaP score of 60	Not Conducted

CaP score - Customer as Promoter

Customer interaction mediums

Mahindra Finance offers multiple customer interaction mediums to ensure convenient and efficient communication:

Network

1,386

Offices pan-India

Customer contact centre

7

Days a week, our customer contact centre is available in 9 languages, providing support and handling over 18,000 calls per month.

Customer app

1 million+

Customer app downloads

Website

5 lakh

Monthly visitors on our website

WhatsApp

~14,000

Monthly active users on WhatsApp

Customers

MF-Sutradhar programme

The MF-Sutradhar programme, implemented in April 2017, has been successful in generating more references for business from existing customers. It has helped in retaining customers, building strong relationships, and expanding into untapped villages.

Benefits

- Improved customer retention rate
- Cost and time savings in reaching untapped villages and customer segments
- Expansion into new territories and villages based on Sutradhar references
- Positive impact on community goodwill and perception of MMFSL as a reliable financial institution
- Integration of digital processes for code creation, lead generation, and business conversion

Real-time customer pulse through Real-time NPS

We introduced the Real-time Net Promoter Score (RNPS) initiative to assess customer advocacy levels. Through a digitally managed system, SMS surveys were sent to customers within 72 hours of onboarding and loan completion. The surveys, available in vernacular languages, collect immediate feedback and present the responses on a dashboard. The RNPS score aids in identifying areas for service improvement, with data analysis conducted according to geography, age, and business vertical. Detailed reports outline action planning, ensuring the ongoing enhancement of customer satisfaction.

Shubh Utsav festive campaign

We implemented the "Shubh Utsav" festive campaign in October-November 2022 to increase awareness and promote our product offerings during the festive season. The primary goal of this initiative was to generate awareness and promote product offerings to potential customers during the festive period.

The campaign involved:

- Communication at key touchpoints, including branches and dealerships, as well as through diverse mediums for direct customer engagement
- Below-the-line (BTL) activations at car and tractor dealerships and marketplaces
- A hyperlocal digital marketing campaign was launched, targeting priority districts
- Multiple CRM campaigns (SMS and e-mailers) were executed, utilising internal and external databases

Sampark and Mini branches

We executed the Sampark branch initiative, extending their services to niche rural markets and surrounding villages. The impact includes enhanced customer reach, retaining the first-mover advantage, and benefits for all stakeholders. Effective communication and visibility were achieved through activities with OEMs and dealers, emphasising Mahindra Finance's customer-centric approach and strategic resource allocation for rural customer outreach.

99

Sampark branches

89

Mini branches

People

Empowering our colleagues

Our employees are the core of our achievements, serving as the crucial engine that keeps our organisation running smoothly. At Mahindra Finance, we foster a secure and inclusive work environment that consistently acknowledges their valuable contributions. Through various initiatives and programmes, we prioritise enhancing their abilities and expertise, supporting their personal and professional growth.

Material issues addressed

- Employee training and education
- Diversity and equal opportunity
- Employee engagement

Key risks considered

- Human capital risk

SDGs impacted

Progress on sustainability roadmap - People

Goal statement	Measure performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Create a more engaged work environment	Satisfaction survey	MMFSL ≥ 4.45			4.69
		MRHFL - 4.40+			4.62
		MIBL - ≥ 4.45			4.25
Build people capabilities	Increase in training coverage	MMFSL - > 60%			90.73%
		MRHFL-Maintain training coverage of 85% and above for all employees			94.4%
		MIBL - 83%	MIBL - 84%	MIBL - 85%	85%

Diversity and inclusion

Diversity and inclusion are fundamental values that drive our success and innovation. In our commitment to cultivating a diverse and inclusive workplace, we have implemented several initiatives that promote equity, foster a culture of belonging, and celebrate the unique perspectives and talents of our workforce. These initiatives and achievements are a testament to our unwavering commitment to diversity and inclusion. They have positively impacted our workforce in driving innovation, enhancing collaboration, and creating a vibrant and inclusive workplace culture.

Awareness and sensitisation

'A fine balance': Inclusion Workshop was held for leaders in middle and senior management. This initiative emphasises the critical role of inclusive leadership in driving organisational change and fostering an inclusive culture. This workshop offered tools to help our leaders actively champion diversity and inclusion, creating an environment where all employees feel valued, empowered, and motivated to contribute their best.

The workshop enabled discussion on a range of topics, including unconscious bias, inclusive leadership practices, and strategies for creating an inclusive environment. We achieved an impressive milestone by covering 100% of the total eligible population for this programme, which included 243 leaders across various locations in our organisation. The workshop garnered a highly positive response and received a remarkable feedback score of 3.90 on a scale of 4.

Care for Women policies

At MMFSL, we engage and support our female employees by implementing policies that ensure their safety, comfort, and well-being. Our policies are designed to empower women, both personally and professionally, and demonstrate our commitment to their success and overall well-being.

Policies

- Women wellness
- Maternity transition
- Maternity travel reimbursement
- Maternity hybrid working
- Air travel for all women employees
- Upgraded hotel entitlements to ensure safe and convenient accommodation
- Additional support for maternity expense
- Creche/nanny expense allowance
- Cab travel for women at odd hours outside the base location
- Cab reimbursement for female colleagues' late working hours
- Performance appraisal norms for employees on maternity leave

Uthaan - Second Career programme

Uthaan is our specialised Second Career programme that aims to support women who have taken a career break and want to return to the workforce. Our objective is to increase the representation of women in our workforce by tapping into diverse talent and providing opportunities for women to resume their careers seamlessly after a break. We recently hosted a hybrid outreach event, wherein we received more than 500 registrations and were attended by over 150+ women. The event featured a series of activities designed to empower and equip women with the necessary skills and knowledge to successfully transition back into the workforce.

Women affinity group: Mahindra World of Women

We established a Women's Engagement Group, Mahindra World of Women - MWOW, which has made significant strides in fostering a supportive network. This group serves as a platform for women to connect, share experiences, and advocate for gender equality within our organisation. We organise regular virtual sessions specifically designed for our female colleagues, aimed at nurturing knowledge and fostering connections among them.

Women's Day celebration: We commemorated Women's Day by organising a 10-day celebration centred around the theme of "Embracing Equity." One of the key initiatives was sharing different perspectives by the senior leadership team on the theme, which would go a long way in driving equity and inclusion at all levels. Another much-appreciated initiative was the session titled "Rising Strong: Empower Yourself - Wheel of Life", conducted by Aparna Devagiri, an esteemed author, coach, and researcher. In keeping with our Mahindra Rise philosophy, "Only when we enable others to rise will we rise", we organised a visit to the NGO Urja, which provides shelter to women marginalised by society.

Recognition from India Today- "Happiest Workplace for Women" against best-in-class organisations like Amazon Retail India Pvt. Ltd, Accenture India Pvt. Ltd, AstraZeneca Pharma India Ltd, Proctor & Gamble Health Ltd, CEAT Ltd, Cognizant Technology Solution India Pvt. Ltd, Apple India Pvt. Ltd, Tata Consultancy Services Ltd, and VIP Industries Ltd.

Learning and development

We commit to fostering talent by creating an environment that encourages learning and growth and enables us to build a next-generation organisation with a focus on promoting innovation, delivering business value and driving thought leadership. Through a variety of programmes, the focus is on improving productivity and operational efficiency and cultivating a culture of ongoing learning.

DAKSH: Capability building programme for business and collection executives

Daksh is a capability-building programme for business and collection executives aimed to enhance their skills and productivity. The programme focused on assertive conversations, field investigation, sales processes, relationship building, and being future-ready. The key learning from this project has been managing the scale of operations.

3,276

Total participants

Samarth

This programme is aimed at improving the quality of TAT and operational efficiency across the branches, maintaining the first-time-right work standards, and providing customer delight at all the branches where the customers/stakeholders get to interact with the account's teams. A blended learning approach was adopted, and certificates were awarded upon successful completion. The programme received positive feedback, with high scores for relevance, query resolution, and training material. The content and trainers were internal, ensuring easy management, and communication within the Company.

363

Participants

MEP - Managerial Excellence Programme

The Managerial Excellence Programme was a two-day workshop for tenured managers, focusing on improving team management and motivation skills. The programme received high ratings (3.9/4) for content relevance, instructor quality, and overall experience. It exemplified the organisation's investment in mid-level managers and highlighted the importance of effective team management for a strong organisational culture.

121

Participants

NEEV - First-time people manager programme

A two-day programme was implemented for newly promoted managers, focusing on transitioning them to team management roles. The programme covered essential skills such as trust-building, conducting reviews, and providing feedback. With a high participation rate of 78%, the programme received positive feedback on content (3.88/4), instructor (3.94/4), and overall experience (3.94/4). The initiative successfully equipped managers with crucial people management skills to perform in their elevated and new responsibilities.

182

Participants

Employee engagement

Listening to our people helps us create an environment that supports our employees. We continuously communicate and engage with our people in designing and evolving the way we work to foster greater enterprise-wide collaboration, continuous learning and open and transparent dialogue.

We implement various employee-engagement programmes to create a positive work environment and foster employee satisfaction. These include various activities such as celebrations, sports events, talent shows, health and wellness initiatives, communication channels, employee surveys, wedding benefits, and rewards and recognition programmes. The initiative aims to boost productivity, improve teamwork, promote work-life balance, and enhance employee happiness.

Sanjeevani Seva (Health and Wellness)

Sanjeevani Seva, an initiative focused on the health and wellness of our employees, aims to enhance their well-being and productivity while promoting work-life balance and providing access to healthcare. Employees and their family members gain access to a health app that offers various features for free or at discounted rates. These features include 24/7 doctor consultation, mental wellness counselling, pharmacy orders, annual health check-ups, discounted gym memberships, quarterly awareness webinars, and periodic fitness challenges.

Mahindra Finance-Pulse

Under MF-Pulse, various surveys are launched/ participated in with the intent to benchmark our processes, policies, and programmes with other organisations and identify strengths and focus on areas of improvement.

Reward and Recognition programme

Under the Reward and Recognition programme, employees are recognised and rewarded under various categories as mentioned below:

- Business performance
- Portraying Rise behaviours
- Long service association
- Special club membership recognition (ex. MD's club)

10,000+

Employees received recognition

Employee engagement programmes:

Celebration

Celebrations at the workplace help create a sense of unity among employees by celebrating accomplishments, special moments, festivals etc.

Festival celebrations

Celebrating festivals at the workplace encourages diversity and inclusivity that allows employees to socialise and bond with one another. Employees freely engage in informal games while experiencing joy and delight at the workplace.

Rajbhog

Rajbhog is a quarterly event that helps employees come together and enjoy home-cooked meals. The event brings people together to relish regional delicacies and participate in fun activities with a high spirit.

Chunauti (Employee Premier League)

Annual sports event conducted at respective locations provides a platform for sports enthusiasts to celebrate sportsmanship. The event encourages healthy competition among departments and helps improve team dynamics.

Mahindra Finance Got Talent

A quarterly talent show where employees get an opportunity to showcase their talent and relive their hobbies in a category such as singing, dancing, kids talent contest, and musicians of Mahindra Finance etc.

Birthday and Funday celebration

Celebrating employees special moments monthly along with fun Friday activities across pan-India branches.

Health and safety

Safety is at the core of facilitating enhanced workforce productivity which culminates in improved operational efficiencies. Moreover, we are dedicated to building a safety-centric mindset in our workforce, as the success of our management systems and capacity-building programmes hinges on our employees translating this mindset into actions in their daily operational activities.

0
Fatalities

5
work-related injuries

Lost day rate*

1.74%	0.14%	32.92%
MMFSL	MRHFL	MIBL

Absentee rate*

0.001%	0.35%	0.026%
MMFSL	MRHFL	MIBL

* due to injury

Defensive driving orientation programme

The programme was launched for the field team. The training was provided to 4,000 team members, resulting in increased awareness of speed and traffic control measures. After the implementation of this programme, the related awareness has increased for the field team, and there has been a gradual decrease in road incidents. The programme received positive feedback from the operation team and beneficiaries, and it will be replicated in other FSS entities

4,000

No. of field team members who received the training

Installation of heating panel

Mahindra Finance effectively implemented a workplace safety initiative to install the Heating panel in cold regions of the North like Leh, Kargil etc. to address cold temperatures below zero degrees Celsius. After the installation of the heating panel, the temperature of offices goes beyond 10 degrees Celsius and office productivity has also increased gradually. The programme's success has opened avenues for its replication in other branches facing similar temperature conditions, creating a favourable work environment for employees across multiple locations.

100

heating panels installed in 8 offices to increase the temperature above 10 degree Celsius

POSH

Upholding the dignity of all employees, irrespective of their gender - Gender Neutral.

All employees (permanent, contractual, temporary and trainees) are covered under this Policy.

Measures:

- Awareness programme conducted - mailers and video on POSH at workplace
- Online e-learning module developed for training all the employees.
- 83% of the employees have completed this training.
- ICC training conducted for all ICC members - 1 session.
- POSH sensitisation training conducted for HR team - 5 sessions.

83%

Employees completed POSH training

Human rights

We consider respect for human rights, ethical and environmentally responsible business practices, and fair and safe working conditions as integral aspects of our Company's culture and identity. We emphasise the explicit inclusion of human rights in our policies, procedures, and ethics training to promote awareness among employees and prevent any violations moving forward.

Awards and accolades

Certified Great Place to Work (GPTW)

We have been certified as a Great Place to Work (GPTW). This prestigious certification recognises our organisation's commitment to creating a positive and inclusive work culture that prioritises the well-being and engagement of our employees.

Best Place to Work in India by Ambition box

This recognition further motivates us to uphold our core values and create an exceptional work environment for our employees where they can thrive both personally and professionally.

Performance table

Workforce distribution

MMFSL	Active employee count (Count in nos.)												
Workforce Level	FY2023												
Age	<30			30-50			>50			Total			Total Employees
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female		
Senior management	0	0	0	22	5	27	15	0	15	37	5		42
Middle management	18	10	28	1,581	116	1,697	199	6	205	1,798	132		1,930
Junior management	8,105	329	8,434	15,267	505	15,772	147	4	151	23,519	838		24,357
Grand Total	**8,123**	**339**	**8,462**	**16,870**	**626**	**17,496**	**361**	**10**	**371**	**25,354**	**975**		**26,329**

Employees joining during the reporting year

MMFSL	Employees Joining in the Reporting Year (Count in Nos.)											
Workforce Level	FY2023											
Age	<30			30-50			>50			Total		Total Employees
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Senior management	0	0	0	7	3	10	1	0	1	8	3	11
Middle management	10	7	17	175	34	210	2	0	2	187	41	228
Junior management	6,054	203	6,279	4,378	96	4,492	1	0	1	10,433	299	10,732
Grand Total	**6,064**	**210**	**6,296**	**4,560**	**133**	**4,712**	**4**	**0**	**4**	**10,628**	**343**	**10,971**

Employees leaving in the reporting year

MMFSL	Employees Leaving in the Reporting Year (Count in Nos.)											
Workforce Level	FY2023											
Age	<30			30-50			>50			Total		Total Employees
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Senior management	0	0	0	6	1	7	2	0	2	8	1	9
Middle management	5	1	6	134	26	160	9	0	9	148	27	175
Junior management	1,827	76	1,903	2,473	61	2,534	17	2	19	4,317	139	4,456
Grand Total	**1,832**	**77**	**1,909**	**2,613**	**88**	**2,701**	**28**	**2**	**30**	**4,473**	**167**	**4,640**

Training hour of employees (Hours)

Workforce level	FY2023		
Gender	Male	Female	Total
Senior management	552	72	624
Middle management	35,101	2,568	37,669
Junior management	3,02,233	12,828	3,15,061
TOTAL	**3,37,886**	**15,468**	**3,53,354**

Parental leaves in the reporting year

Particulars	Male	Female
Employees that availed Parental Leave in reporting period	487	34
Employees who returned to work after availing Parental Leave in reporting period	485	17
Employees who were due for return to work after availing Parental Leave in reporting period	2	17
Return to work rate	99.59%	100.00%
Total number of employees currently working who completed 12 months in reporting period after returning to work following a period of Parental Leave	202	22
Total number of employees who were supposed to complete 12 months in current reporting period after returning from Parental Leave in the prior reporting period(s)	258	31
Retention rate	**78.29%**	**70.96%**

Community

Partnering holistic development

To foster the growth and well-being of the communities surrounding us, we actively engage in a diverse range of thoughtfully curated social programmes. These initiatives are specifically tailored to drive meaningful transformations in the regions where we have a presence. Our relentless efforts have resulted in substantial positive impacts, touching the lives of countless individuals and families over the fiscal year.

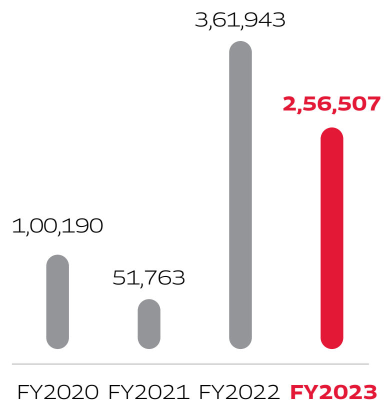
Material issues addressed	Key risks considered	SDGs impacted
Local communities and corporate citizenship	Pandemic risk	

Progress on sustainability roadmap - Community

Goal statement	Measure performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Uplift communities through need-based interventions and increase beneficiaries' coverage under CSR programmes	Increase in number of beneficiaries for flagship programmes for drivers	25,000	27,500	30,250	2,56,507

The CSR endeavours of our organisation aim to bring positive change to underprivileged communities, empowering them with financial stability and improved prospects for a brighter future. Our primary focus areas include enhancing opportunities and facilitating sustainable livelihoods, with a particular emphasis on healthcare, education, employment, rural development, and overall community well-being.

Lives impacted



Key focus areas

Education	Women empowerment	Environment
Livelihood	Healthcare	

Skill development and livelihood generation

Swabhimaan

Swabhimaan initiative, a trailblazing programme, stands out by adopting a unique lifecycle approach. It addresses the neglected segment of the four-wheeler, app-based taxi, school van, and small commercial vehicle drivers, providing comprehensive support and empowering their children to break the cycle of poverty.

In FY2023, we reached out to over 1,62,400+ beneficiaries across India for the drivers' community through the below-mentioned interventions, which are currently being implemented under this flagship programme in multiple states across India in collaboration with local implementing partners.

Projects

Driver training for freshers

The objective of this project is to provide driving skills training (LMV and e-auto rickshaw) to men and women freshers, help them obtain the Skill India certification, earn a permanent driving license, and enhance livelihood opportunities.

3,100+

freshers

Auto mechanic training

The objective of this project is to provide auto mechanic (two-wheeler repair and maintenance) training to youth and help them obtain livelihood opportunities.

2,300+

youth

Financial planning training for drivers

The main purpose of this project is to make drivers financially literate and make them aware of good financial practices for better money management, savings, and investments and promote the use of financial literacy mobile apps to encourage digital inclusion.

1,42,000+

drivers

Road safety awareness training for drivers

The objective of this project is to inculcate safe driving practices among drivers and thus contribute towards the reduction of road accidents and loss of lives.

7,850+

existing drivers

Scholarship for drivers' children

The objective of this project is to provide financial aid for the education of drivers' children studying in grades 1 to 12 and pursuing graduation and post-graduation.

7,000+

children of drivers

Scholarship programme empowers a Chennai student

Durgasri SM, a talented student and aspiring boxer from Chennai, has overcome financial challenges with the help of the Saksham Scholarship Programme for drivers' children. Despite her father's modest income, Durgasri excelled in academics and boxing, winning accolades in state and national competitions. With a scholarship of ₹ 10,000 provided by Mahindra Finance, she is now pursuing her education and boxing dreams while making her parents proud.

Financial and digital literacy project

We launched the 'Money Gyaan Se Jeevan Aasaan' financial literacy campaign under the theme Money Kathayein. It focused on raising awareness about digital financial fraud, promoting responsible borrowing habits, and educating about government schemes for SMEs and MSMEs. The campaign aimed to empower individuals with knowledge for informed financial decisions and ensure their financial well-being.

85 million

Views garnered through financial and digital literacy project

Mahindra Pride

Mahindra Pride Classroom programme reaches 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. Under this programme, we conducted 40 hours of training for 62,900+ final-year female students in classrooms across government/government-aided colleges, polytechnics, industrial training institutions, employer premises etc., to enhance their employability prospects in emerging areas like Science, Technology, Engineering and Math, digital marketing, coding, digital and financial literacy, new educator and regenerative agriculture, which are in high demand in today's job market.

62,900+

Final-year female students trained through Project Mahindra Pride

Women empowerment

We initiated pilot programmes focused on women's economic empowerment and skill development, which aimed to equip women with the necessary skills to enter the workforce and achieve economic independence. Through these projects, over 2,500 women were trained in various areas such as sewing machine operation, general duty assistance, data entry operations, and call centre/PO-related skills.

2,500+

Women trained through various programmes

An auto rickshaw driver enhances his financial condition by attending a financial literacy training workshop

Dilip Gupta, residing in Lucknow, improved his financial situation after attending a Mahindra Finance-supported training workshop on financial literacy. With 20 years of experience, Gupta's monthly income of ₹ 12,000/- was insufficient for his family's needs. However, the workshop enlightened him about various financial schemes, including insurance, savings, and investment instruments like FDs, PPFs, SIPs, and mutual funds. Dilip took proactive steps and opened a savings account, and recurring deposit account at the post office to secure his and his family's financial future.

Project Hunnar- Divyang Vikas Kendra

Divyang Vikas Kendra is a skill development project wherein 250+ youth with disabilities are provided with a wide range of skills such as leadership, social, communication, computers, and basic life skills. The project aims to create demand for a skilled workforce of persons with disabilities in information technology (IT) and information technology-enabled services (ITeS), retail, hospitality, banking, financial services, and insurance (BFSI) industry, and making the candidates competent and skilled enough to perform at the job.

Promotion of education

Nanhi Kali

To help 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. 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.
To help improve learning outcomes, the project provides every girl with access to personalised, adaptive learning software. Over 14,000 underprivileged girl children from socially and economically marginalised families living in urban, rural, and tribal parts of India were supported in FY2023.

14,000+
Girls supported through Project Nanhi Kali

Health

Health initiatives

In the area of health, we organised nationwide blood donation drives in which 6,240 Blood Units were collected, conducted health check-up camps, Swachh Bharat initiatives and donated 12 ambulances that have enabled access to primary healthcare centres, easy for several tribal and rural patients across the nation.

6,240+
Blood units collected

Sanitation and hygiene project

We, in collaboration with NGO partners, have been actively involved in the Swachh Bharat Mission, a nationwide campaign initiated by the Government of India to eliminate open defecation. Our flagship project, the Sanitation and Hygiene Project, aims to address the issue of open defecation in rural India, particularly in economically disadvantaged communities with limited access to sanitation facilities.

The project was implemented in the Nilgiri districts of Tamil Nadu, where we constructed 115 individual household latrines, benefiting approximately 550 individuals. The project not only improves the health and hygiene of the community but also contributes to environmental sustainability by curbing the practice of open defecation and reducing pollution. With our success in Nilgiri, we plan to replicate this initiative in other districts of Maharashtra and Tamil Nadu.

115
Household latrines constructed in Nilgiri district

Environment

ESG Project

As part of our commitment to environmental sustainability, we have implemented several initiatives to conserve water and recharge groundwater.

10
Rainwater harvesting structures (bore well recharge) in schools

5
Farm ponds created

2,450
Individuals to be benefited

Mahindra Hariyali

As a part of the Mahindra Hariyali project, we planted more than 2,94,000+ saplings across India to continue our commitment to increasing the green cover.

Promoting sustainable rehabilitation

Mahindra Finance successfully renovated and restructured three flood-affected schools in Bihar's Rajapur, Sonbarsa, and Barsingha villages. The project improved infrastructure, flooring, electricity, and furniture, creating a safe and conducive learning environment. Additional provisions included clean-drinking water and record-keeping almirahs. Through community collaboration, a holistic approach, and a focus on sustainability the initiative sets an example for others. Valuable lessons were learned in terms of collaboration, problem-solving, sustainability, meeting urgent needs, and scalability.

Disaster management (relief and rehabilitation)

We demonstrated our responsiveness to natural disasters by assisting in the reconstruction and renovation of six government schools in Maharashtra and Bihar that were affected by floods. 1000+ students will be benefitted from these interventions. Additionally, we provided humanitarian aid in the form of dry ration and personal hygiene kits to 1,200 families affected by the floods in Assam. Through these efforts, we aim to alleviate the hardships faced by the flood-affected communities and contribute to their well-being.

1,200
Families supported by providing dry ration and personal hygiene kits

6
Schools renovated

1,000+
Students to be benefitted

Varied focus areas

CSR calendar initiatives

Mahindra Finance has always encouraged the employees to participate in various CSR projects to drive positive changes in the community. During the reporting period, around 18,200 employees (79% of total employees) contributed 97,400 volunteering hours in various virtual and CSR calendar initiatives undertaken by the Company, like blood donation, tree plantation, Swachh Bharat, projects with the municipal school, orphanages, old age homes, and centres for persons with disabilities to re-affirm its pledge to the society.

97,400
Volunteering hours

18,200
Employees

Need-based donations

Need-assessed donations to NGOs across India with focus areas as the preservation and promotion of the fine arts and culture, the welfare of the armed forces, and supporting the underprivileged community as mentioned under Schedule VII.

Suppliers and vendors

Building sustainable partnerships

Our supplier base consists of human resource service providers, utility providers, technology partners, office stationery suppliers, office infrastructure vendors and service providers.

Material issues addressed	Key risks considered	SDGs impacted
Customer relationship management	Human capital risk Pandemic risk	10 Reduced Inequalities, 12 Responsible Consumption and Production, 17 Partnerships for the Goals

Our suppliers/vendors are an important part of our operations. We believe in working with them to ensure our sustainability expectations are clear and that products and services are compliant with our standards.

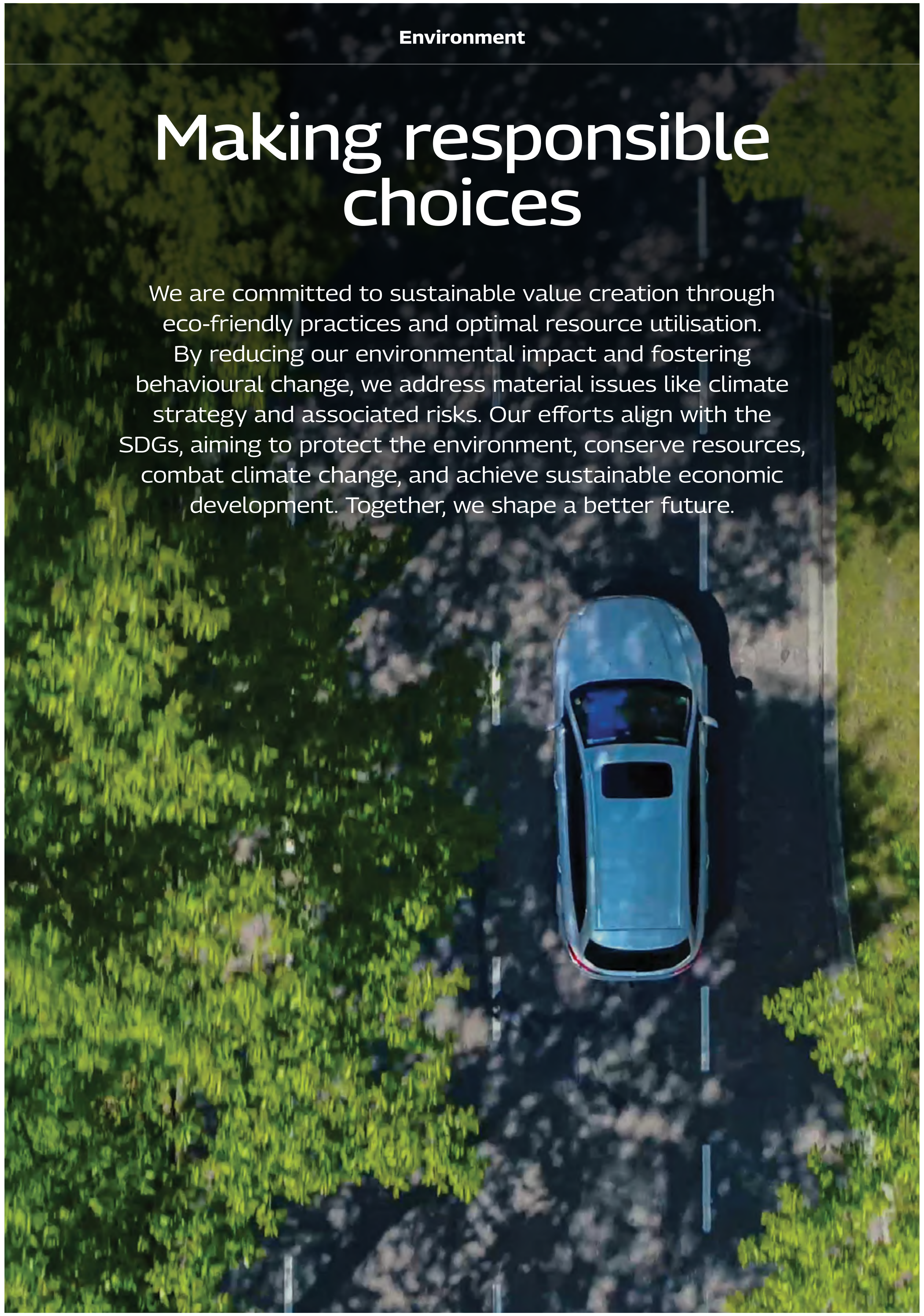
As part of our continued engagement with suppliers and focus on quality and delivery time, our suppliers have improved their service levels. We also encourage them to adopt sustainable practices, appreciating and recognising good practices followed by them.

Purchase from Top 10 MSME suppliers (₹ in lakhs)

5,601.25
MMFSL

2,294.39
MRHFL

766.69
MIBL



Environment

Making responsible choices

We are committed to sustainable value creation through eco-friendly practices and optimal resource utilisation. By reducing our environmental impact and fostering behavioural change, we address material issues like climate strategy and associated risks. Our efforts align with the SDGs, aiming to protect the environment, conserve resources, combat climate change, and achieve sustainable economic development. Together, we shape a better future.

Material issues addressed	Key risks considered	SDGs impacted
Climate strategy (managing carbon emissions)	Climate risk	

Progress on sustainability roadmap - Environment

Goal statement	Measure performance	FY2021 target	FY2022 target	FY2023 target	FY2023 performance
Ensure continual reduction in carbon emissions	Maintaining declining trends in CO_2 emissions per employee (tonnes of CO_2eq per employee)	MMFSL - 0.77	MMFSL - 0.69	MMFSL - 0.63	0.69
		MRHFL - 0.24	MRHFL - 0.22	MRHFL - 0.21	0.35
		MIBL - 0.65	MIBL - 0.59	MIBL - 0.53	1.20
Increase plantation of trees across India	Increase the plantation with focus on survival rate	30,000	34,500	39,675	2,94,000+
Increase financing of EVs	Financing M&M electric vehicles	41% Market share	50% Market share	50% Market share	44%

Key pillars

- Protecting the environment by preventing adverse impacts
- Improving and promoting the environmental sustainability of products and services
- Complying with legal obligations and voluntary commitments and promoting ambitious environmental management practices

Key highlights

- First NBFC in India to join the United Nations Global Compact Network
- Included in the FTSE4Good Emerging Markets Index for 4th consecutive time
- Improved CDP rating level to "B". Placed under the management category for taking steps towards managing its carbon emissions

Energy/emission reduction initiatives

To effectively control and minimise our environmental impact, we have implemented various initiatives aimed at reducing emissions and conserving energy.

24,22,601 kWh

Energy saved

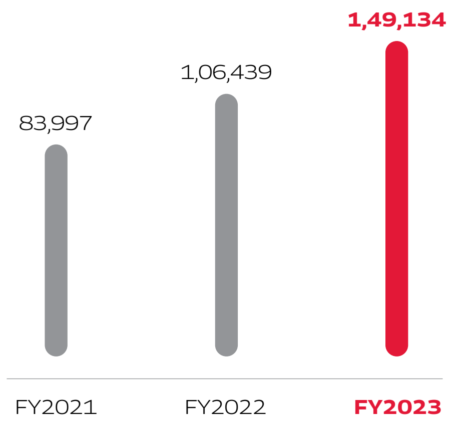
Energy conservation

- CFL lights were substituted with LED lights across 1,137 branches
- Upgraded air conditioning systems and blade servers to higher efficiency models; replaced 3-star fixed speed ACs with 5-star inverter split ACs at 223 branches
- Efficient BLDC fans were installed at 19 branches replacing conventional fans (74 in total)

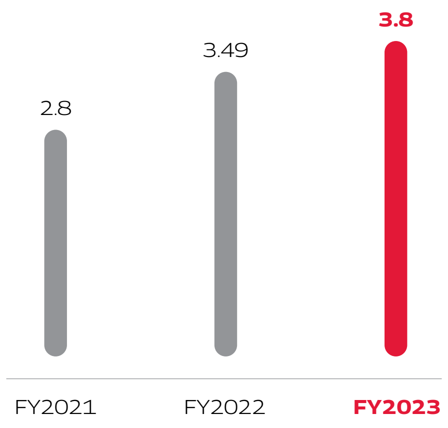
DG stack emission testing to ensure cleaner operations

During the year, we undertook DG stack emission testing at ten locations with the highest diesel consumption. This testing aims to assess emissions such as nitrogen oxides, particulate matter, sulfur dioxide, carbon monoxide, and other pollutants, ensuring that the emissions from DG sets comply with the guidelines set down by the Central Pollution Control Board. In the upcoming fiscal year 2023-24, we plan to progressively expand the testing to include additional locations for managing its carbon emissions

Total energy consumption (GJ)



Energy intensity (GJ/employee)



Total direct and indirect GHG emissions by weight

	FY2021		FY2022		FY2023	
	GHG emissions	GHG intensity	GHG emissions	GHG intensity	GHG emissions	GHG intensity
Scope 1	1,523.33	0.05	2,518.41	0.08	3,224.87	0.08
Scope 2	13,858.73	0.46	14,957.73	0.49	19,550.06	0.5
Scope 3	13,051.28	0.44	1,809.81	0.06	18,813.81	0.48

Growing green revenue

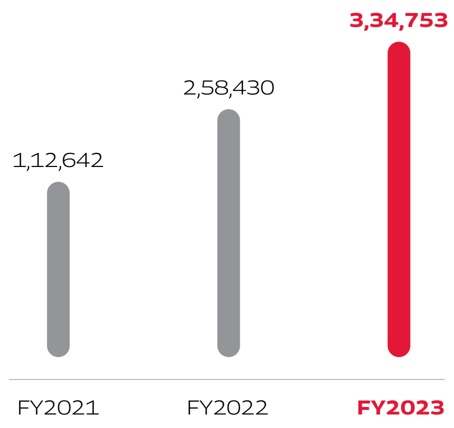
We prioritise the financing of EVs as a key component of our environmentally friendly product portfolio. This commitment is central to the development of our sustainability roadmap. During the year, we successfully financed over 18,200 EVs, contributing significantly to our sustainable transportation initiatives.

Water management

Water is a vital element for the functioning of our facilities and plays an irreplaceable role in the daily lives of our communities. Hence, it is crucial to exercise careful management of this resource to benefit our communities, operations, and the well-being of future generations.

- Implementation of watershed management and rainwater harvesting projects in various locations across India in collaboration with communities to execute the projects effectively.
- Installation of aerators in office taps as part of the project initiatives.

Total water consumption (KL)



Watershed development project

An initiative by Mahindra Home Finance to improve the livelihood of farmers in drought-prone areas by building and improving watershed structures. Through this project, we constructed new watershed structures and renovated the existing ones to increase the groundwater level. A total of 459 beneficiaries were impacted by the project.

Waste reduction

We make impactful efforts within our operational boundaries to facilitate proper waste segregation and resource conservation by minimising waste generation and maximising our positive influence.

Key initiatives:

- Achieved zero waste to landfill through paper recycling and exchanged paper waste for wheat-based A4 Copier paper made from agro waste
- Responsibly disposes of waste through authorised vendors, using paper waste as raw material for duplex and Kraft paper production, thus eliminating landfill disposal

59.5 tonnes

E-waste recycled

Achieving zero-waste-to-landfill through paper recycling

Recognising the significant contribution of the service sector to paper waste generation, we undertook a comprehensive analysis of the issue. In line with our commitment to circular economy principles, we have initiated a zero-waste-to-landfill project specifically focused on paper recycling. Through this project, we ensure proper disposal of our paper waste by collaborating with authorised and registered vendors who are in turn in collaboration with the paper mill for recycling.

Our zero waste-to-landfill loop begins by supplying paper waste to authorised vendors who utilise it as raw material for further paper production. To complete the loop, we source wheat-based A4 Copier paper made from agro-waste in exchange for our paper waste. During the year, we successfully sent 17.5 tonnes of paper waste for recycling, marking a significant step towards our zero-waste-to-landfill goal.

Results: 10 Years at a Glance

(Rupees in Crores unless indicated otherwise)

Sr. No.	Particulars	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
1	Estimated Value of Assets Financed	62,526	36,217	25,249	42,388	46,210	37,773	31,659	26,706	24,331	25,400
2	No. of Contracts	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	31,19,034
3	Total Assets*	96,217	75,289	77,036	74,071	67,078	52,793	45,837	39,462	35,074	31,666
4	Total Income*	11,056	9,719	10,517	10,245	8,810	6,685	6,238	5,905	5,585	4,953
5	Profit before depreciation & tax*	2,885	1,484	548	1,462	2,443	1,711	666	1,079	1,295	1,370
6	Depreciation*	187	127	126	118	60	44	46	41	42	24
7	Profit before tax*	2,698	1,357	422	1,344	2,382	1,667	620	1,038	1,254	1,346
8	Profit after tax*	1,984	989	335	906	1,557	1,076	400	673	832	887
9	Dividend %	300	180	40	0	325	200	120	200	200	190
10	Equity Share Capital*	247	247	246	123	123	123	113	113	113	113
11	Reserves & Surplus*	16,842	15,381	14,465	11,241	10,785	9,499	6,364	5,975	5,557	4,982
12	Net Worth*	17,089	15,628	14,712	11,364	10,908	9,622	6,477	6,088	5,669	5,094
13	No. of Employees Engaged	26,329	19,998	19,952	21,862	21,789	18,733	17,856	15,821	14,197	12,816
14	No. of Offices	1,386	1,384	1,388	1,322	1,321	1,284	1,182	1,167	1,108	893
15	Earnings Per Share - Basic (₹)* (FV - ₹ 2/- per share)	16.09	8.02	3.03	10.09	25.33	18.52	7.09	11.92	14.75	15.75
16	Earnings Per Share - Diluted (₹)* (FV - ₹ 2/- per share)	16.08	8.01	3.02	10.08	25.28	18.49	7.04	11.83	14.62	15.60

*Figures from FY2018 onwards are as per Ind AS and for earlier financial years as per IGAAP.

Awards

CSR

Received a special commendation for CSR Programme 'Swabhimaan' at the CSR Journal Excellence Awards

Recognised for persistent and innovative efforts in promoting CSR by The Institute of Company Secretaries of India during the 7th ICSI CSR Excellence Awards - 2023

Awarded CSR Times Awards 2022 - Gold category for CSR Initiatives under Swabhimaan in the area of skill development at the 9th National CSR Times Award 2022, New Delhi

Human Resources

Great Place to Work certified 2023 and Top 25 Great Place to Work in BFSI 2023

Ranked 2nd in Financial Services Industry (Large Category) by AmbitionBox Best Places to Work in India - Employee Choice Award

Recognised as Happiest Workplace for Women at India Today - RPG Happiness at Workplace Summit & Awards - 2023

Sustainability

Became 1st NBFC in India to join the United Nations Global Compact Network for taking steps towards responsible business actions to create a better world for our future generations

Featured under the Leadership Index for performance under ESG domain in the 2nd Edition of CRISIL Sustainability Yearbook

Improved CDP rating level to "B" and placed under leadership category for taking steps towards managing its carbon emissions

Included in the renowned FTSE4 Good Emerging Markets Index series for ESG performance for the 4th consecutive time

Marketing

Won Silver Award for Aapke Safar Ka Saathi testimonial video series at the RMAI Flame Awards Asia 2022

Assurance Statement

ASSURANCE STATEMENT ON

INTEGRATED REPORT OF

Mahindra & Mahindra Financial

Services Limited

for

Reporting Period:

1st April 2022 – 31st March 2023

Bureau Veritas (India) Private Limited

72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.

Independent AA 1000 Assurance Statement

Introduction and Objective of Work

BUREAU VERITAS (INDIA) PRIVATE LIMITED (hereinafter abbreviated as BVIPL) has been engaged by the **MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED** (hereinafter abbreviated "MMFSL") to provide an independent and limited assurance of its Integrated Report (hereinafter abbreviated as "IR") for the reporting period from 01.04.2022 to 31.03.2023 based on Global Reporting Initiative (hereinafter abbreviated as GRI) Standards for Sustainability Reporting.

The onsite verification of the Sustainability practices adopted by MMFSL, at the respective Branch office, Regional office and Corporate Office and review of documents and disclosures were conducted in March 2023 and April 2023 as a part of the sustainability assurance. On site assessments were conducted for this assurance for MMFSL at three locations Maninagar Branch site, Ahmedabad (16th March 2023 for 0.5 assessment day), Ahmedabad RO site, Ahmedabad (16th March 2023 for 0.5 assessment day), Corporate office at Worli, Mumbai (19th April 2023 for 1 assessment day) and Corporate office at Worli, Mumbai (26th April 2023 for 2 assessment days).

The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information for the report are the sole responsibility of the management of "MMFSL". Bureau Veritas (BVIPL) was not involved in the drafting or preparation of the back-up data of the said IR. The responsibility of BVIPL was to provide independent assurance as described in the scope of assurance.

Intended User

The intended users of this assurance statement are the stakeholders of MMFSL. BVIPL disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

Scope, Boundary and Limitations of assurance

Independent assurance has been provided for IR. The reporting boundary included data and information for the period 01.04.2022 to 31.03.2023 for MMFSL, based on GRI standards.

The assurance included verification of the sample data and information on selected material topics reported by MMFSL, at the aforesaid locations.

Independent AA 1000 Assurance Statement

The Scope of Sustainability Assurance includes:

- An assessment of the methods used for data collection and reporting for the selected sustainability performance indicators.
- Testing of such systems, including related internal controls.
- Testing, on a sample basis, of evidence supporting the data.
- Verification of the sample data and information on selected material topics reported at Regional and corporate Offices of MMFSL for the defined reporting period.
- Assessment of the consistency between the data for the selected sustainability performance indicators and the related written comments in the narrative of the Report
- The Company's compliance to legal obligations/disclosures
- The General and topic specific disclosures subject to assurance
- Completion of assurance statement for inclusion in the report, which will reflect the verification findings and conclusion. Gap assessment as per GRI standards, highlights of findings during verification process of data and information, draft assurance statement, signed assurance statement as per GRI standards compliance

Reporting Criteria

The company has adopted below criteria for preparing the report:

- Global Reporting Initiative (GRI): in accordance with the core option

BVIPL scope has not considered the below data as a part of assurance :

- Information apart from the defined reporting period and boundary
- Compliance to any legal issue related to the authority except environmental and social aspects.
- Any of the statement related to company aspect or reputation.

Assurance Type and Scope

BVIPL has conducted sustainability assurance in accordance with the requirements of Account Ability's Assurance Standard (AA1000 AS v3 (Type 2, Moderate Assurance). Under this standard, BVIPL has reviewed the information presented in the report against the characteristics of relevance, completeness, materiality, reliability, neutrality, and understandability.

The scope of the assurance engagement, as agreed with MMFSL, included the review and verification of sustainability policies, practices, initiatives and performance presented in the Report, an assessment of underlying management and reporting processes in accordance with the GRI Standards

Independent AA 1000 Assurance Statement

and an evaluation of the Report's adherence to the "in accordance Core " criteria of the GRI Standards and verification of standard disclosures indicated in the GRI Content Index in the Report.

Sample data were collected in order to support BVIPL conclusions on the verified information and data. However, limited available information and details is reviewed during the assurance of MMFSL.

General Disclosures

- Organizational Profile (102-1, 102-2, 102-4, 102-6, 102-8)
- Strategy (102-14)
- Ethics and Integrity (102-16)
- Stakeholder Engagement (102-40,102-42)
- Reporting Practice (102-46 to 102-52, 102-54, 102-55)

Topic Specific Standard Disclosures

Environment

- Energy (2016) - 302-1, 302-2, 302-3
- Water and Effluents (2018) - 303-5
- Emissions (2016) - 305-1, 305-2, 305-3[1], 305-4
- Waste (2020) - 306-5[2]

Social

- Employment (2016) - 401-1, 401-3
- Occupational Health and Safety (2018) - 403-9
- Training and Education- 404-1
- Diversity and Equal Opportunity - 405-1)
- Local Communities (2016) - 413-1

Conclusions

Integrated report of MMFSL is reviewed based on the scope of the assurance. It is concluded that information presented in MMFSL Integrated Report, in accordance with GRI standards framework, is proper, adequate and maintained in line with the material topics considered for the reporting. The report is found to be with a "Type 2 Moderate" level of assurance.

Responsibilities

The assurance statement is made solely for "MMFSL" as per the governing contractual terms and conditions of the assurance engagement contract between "MMFSL" and BVIPL. To the extent that

[1] Disclosure of data by MMFSL comprises of Business travel by road and air; purchased goods and services limited to paper consumption; and employee commute

[2] Data comprises of E-Waste directed to disposal

Independent AA 1000 Assurance Statement

the law permits, BVIPL owe no responsibility and do not accept any liability to any other party other than "MMFSL" for the work BVIPL have performed for this assurance report or for BVIPL's conclusions stated.

BVIPL shall not be held liable or responsible for any type of decision a person or entity would make based on this assurance statement. While reading the assurance statement, stakeholders shall recognize and accept the limitation and scope as mentioned above.

Exclusions and Limitations

Excluded from the scope of work is any assurance of information relating to:

- Activities outside the defined assurance period stated hereinabove
- Positional statements, expressions of opinion, belief, aim or future intention by "MMFSL" and statements of future commitment;
- The assurance does not extend to the activities and operations of "MMFSL" outside of the scope and geographical boundaries mentioned in the Integrated report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with "MMFSL".
- The assurance of the economic and financial performance data of MMFSL is based only on the audited annual reports of MMFSL and our conclusions rely entirely upon that audited report.

Limitations of the assessment work undertaken:

The limitations are provided by BVIPL, as observations with actionable points and priority, to MMFSL in a separate Management Letter. These however do not affect our conclusion regarding the report.

Uncertainty

The reliability of assurance is subject to uncertainty (ies) that are inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions or data conversion factors used or may be present in the estimation of data used to arrive at results. The conclusions in respect of this assurance are naturally subject to any inherent uncertainty (ies) involved in the assurance process.

Statement of independence, impartiality, and competence

BVIPL is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 200 years history in providing independent assurance services.

BVIPL has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. BVIPL is particularly vigilant in the prevention of conflicts of interest.

Independent AA 1000 Assurance Statement

No member of the assurance team has a business relationship with "MMFSL", its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of BVIPL standard methodology for the assurance of Integrated Report.

For

Bureau Veritas (India) Private Limited

72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2,
Andheri (East) Mumbai-400 093 India.

Aanandkrishna Akilla
Lead Assurer

Sanjay Patankar
Technical Reviewer

Date: 28/06/2023
Place: Mumbai, India

Report ID: V3-FB9JN

AA1000
Licensed Assurance Provider
000-137

Annexures

GRI Content Index

Statement of Use	Mahindra Finance has reported in accordance with the GRI Standards for the period between 1st April 2022 to 31st March 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard No.	Disclosure	Location	
		Section	Page No.
GRI 2: General Disclosures 2021			
The organisation and its reporting practices	2-1 Organisational details	Who we are	8-9
	2-2 Entities included in the organisation's sustainability reporting	About the Report	2
	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
Activities and workers	2-6 Activities, value chain and other business relationships	Product Portfolio, Presence	10-13
	2-7 Employees	People	78
	2-8 Workers who are not employees	People	78
Governance	2-9 Governance structure and composition	Governance	47-48
	2-15 Conflicts of interest	Business Responsibility & Sustainability Reporting	222
	2-17 Collective knowledge of the highest governance body	Governance	48
	2-18 Evaluation of the performance of the highest governance body	Governance	49
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Chairman's Message, Vice-chairman & MD's message	18-21
	2-23 Policy commitments	Governance	49
	2-24 Embedding policy commitments	Governance	49
	2-27 Compliance with laws and regulations	Governance	50
	2-28 Membership associations	Governance	47-48
Stakeholder engagement	2-29 Approach to stakeholder engagement	Stakeholder enagagement	34-35
	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	36-39
	3-2 List of material topics	Materiality	36-39
Economic Performance			
GRI 201: Economic Performance 2016	3-3 Management of material topics	Investor	65
	201-1 Direct economic value generated and distributed	Investor	65
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Community	81
	203-2 Significant indirect economic impacts	Community	81
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Suppliers and Vendors	87
	204-1 Proportion of spending on local suppliers	Suppliers and Vendors	87
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	221-222
	205-2 Communication and training about anti-corruption policies and procedures	Business Responsibility & Sustainability Reporting	221
	205-3 Confirmed incidents of corruption and actions taken	Business Responsibility & Sustainability Reporting	221
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	240
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Responsibility & Sustainability Reporting	240
Environmental Performance			
GRI 302: Energy 2016	3-3 Management of material topics	Environment	89
	302-1 Energy consumption within the organisation	Environment	90
	302-2 Energy consumption outside of the organisation	Environment	90
	302-3 Energy intensity	Environment	90
	302-4 Reduction of energy consumption	Environment	89
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Environment	91
	303-5 Water consumption	Environment	91
GRI 305: Emissions 2016	3-3 Management of material topics	Environment	89
	305-1 Direct (Scope 1) GHG emissions	Environment	90
	305-2 Energy indirect (Scope 2) GHG emissions	Environment	90
	305-3 Other indirect (Scope 3) GHG emissions	Environment	90
	305-4 GHG emissions intensity	Environment	90
GRI 306: Waste 2020	3-3 Management of material topics	Environment	91
	306-5 Waste directed to disposal	Environment	91
Social Performance			
GRI 401: Employment 2016	3-3 Management of material topics	People	76
	401-1 New employee hires and employee turnover	People	79
	401-3 Parental leave	People	79
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	People	77
	403-9 Work-related injuries	People	77
GRI 404: Training and Education 2016	3-3 Management of material topics	People	75
	404-1 Average hours of training per year per employee	People	79
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	People	73
	405-1 Diversity of governance bodies and employees	People	73
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	232-234
	406-1 Incidents of discrimination and corrective actions taken	Business Responsibility & Sustainability Reporting	232
GRI 408: Child Labor 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	232-234
	408-1 Operations and suppliers at significant risk for incidents of child labor	Business Responsibility & Sustainability Reporting	232
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Business Responsibility & Sustainability Reporting	232-234
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Business Responsibility & Sustainability Reporting	232
GRI 413: Local Communities 2016	3-3 Management of material topics	Community	81
	413-1 Operations with local community engagement, impact assessments, and development programs	Community	82-85
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	Customer	68-71
	417-1 Requirements for product and service information and labeling	Customer	68-71
	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

SDG mapping

Goal No	Sustainable Development Goals	Page No.
1	End poverty in all its forms everywhere	81
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	81
3	Ensure healthy lives and promote well-being for all at all ages	77, 81, 89
4	Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	73, 81
5	Achieve gender equality and empower all women and girls	73, 81
6	Ensure availability and sustainable management of water and sanitation for all	81, 91
7	Ensure access to affordable, reliable, sustainable and modern energy for all	89
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	65, 69, 73
9	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	23, 69
10	Reduce inequality within and among countries	81, 87
11	Make cities and human settlements inclusive, safe, resilient and sustainable	81, 89
12	Ensure sustainable consumption and production patterns	89
13	Take urgent action to combat climate change and its impacts	89
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	40, 89
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	47-61, 69-87
17	Strengthen the means of implementation and revitalise the global partnership for sustainable development	81, 87, 89

National Voluntary Guidelines (NVGs) Mapping and UNGC principles

NVG mapping

NVG Principle	Description	Page No.
Principle 1	Ethics, Transparency and Accountability	46-61
Principle 2	Goods and Services which contribute to sustainability throughout the lifecycle	88-91
Principle 3	Employee wellbeing	77
Principle 4	Responsiveness towards all stakeholders, especially those who are marginalised and disadvantaged	30-31, 34-35
Principle 5	Respect and promote human rights	78
Principle 6	Protect and restore environment	88-91
Principle 7	Influencing regulation and public policy	51
Principle 8	Inclusive growth and equitable development	80-85
Principle 9	Engagement and responsible value for customers and consumers	68-71

UNGC principles

No	Category	Description	Page no.
1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	78, 231
2	Human Rights	Businesses should make sure that they are not complicit in human rights abuses	78, 231
3	Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	231-234
4	Labour	Businesses should uphold the elimination of all forms of forced and compulsory labour	231-234
5	Labour	Businesses should uphold the effective abolition of child labour	231-234
6	Labour	Businesses should uphold the elimination of discrimination in respect of employment and occupation	231-234
7	Environment	Businesses should support a precautionary approach to environmental challenges	88-91
8	Environment	Businesses should undertake initiatives to promote greater environmental responsibility	88-91
9	Environment	Businesses should encourage the development and diffusion of environmentally friendly technologies	88-91
10	Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery	221-222

Board's Report

Dear Shareholders,

Your Directors are pleased to present their Thirty-third Report together with the audited financial statements of your Company for the Financial Year ended 31st March 2023 ("FY2023").

Financial Summary and Operational Highlights

₹ in crores

Particulars	Consolidated		% Change	Standalone		% Change
	FY2023	FY2022		FY2023	FY2022	
Total Income	12,832.4	11,400.5	12.6	11,056.1	9,718.8	13.8
Less : Finance Costs	5,094.3	4,417.4		4,576.7	3,920.2	
Expenditure	4,695.6	5,347.3		3,539.6	4,314.9	
Depreciation, Amortisation and Impairment	226.0	152.0		187.2	126.8	
Total Expenses	**10,015.9**	**9,916.7**	**1.0**	**8,303.5**	**8,361.9**	**(0.7)**
Profit before exceptional items and taxes	2,816.5	1,483.8		2,752.6	1,356.9	
Share of profit of Associates & Joint Ventures	43.0	45.0		-	-	
Exceptional items	(56.1)	20.6		(54.5)	-	
Profit Before Tax	**2,803.8**	**1,549.4**	**81.0**	**2,698.1**	**1,356.9**	**98.8**
Less : Provision For Tax	-	-		-	-	
Current Tax	498.2	411.4		486.3	348.1	
Deferred Tax	234.4	(12.3)		227.5	20.0	
Profit After Tax for the Year	**2,071.2**	**1,150.3**	**80.1**	**1,984.3**	**988.8**	**100.7**
Less : Profit for the year attributable to Non-controlling interests	(1.2)	13.4		-	-	
Profit for the Year attributable to owners of the Company	**2,072.4**	**1,136.9**	**82.3**	**1,984.3**	**988.8**	**100.7**
Balance of profit brought forward from earlier years	6,147.0	5,285.0		5,248.0	4,558.4	
Add: Other Comprehensive income /(Loss)	(13.3)	(3.2)		(12.9)	(2.4)	
Balance available for appropriation	8,206.1	6,418.7		7,219.4	5,544.8	
Less: Appropriations	-	-		-	-	
Dividend paid on Equity Shares	443.9	98.6		444.8	98.8	
Transfer to Statutory Reserves	398.1	223.6		398.0	198.0	
Add/Less: Other Adjustments:						
Gross obligation at fair value to acquire non-controlling interest	59.4	54.4		-	-	
Changes in Group's Interest	(1.4)	(3.9)		-	-	
Balance carried forward to balance sheet	7,422.1	6,147.0		6,376.6	5,248.0	
Net worth	**18,560.1**	**16,896.3**	**9.8**	**17,088.9**	**15,628.1**	**9.3**

*Due to rounding off, numbers presented in above table may not add up precisely to the totals provided

Consolidated Performance Highlights

- Total Income for the year was ₹ 12,832.4 crores as compared to ₹ 11,400.5 crores in FY2022.
- Revenue from operations for the year was ₹ 12,699.5 crores as compared to ₹ 11,317.6 crores in FY2022.
- Profit Before Tax ("PBT") for the year was ₹ 2,803.8 crores as compared to ₹ 1,549.4 crores in FY2022.
- Profit After Tax ("PAT") (Net of non-controlling interest) for the year was ₹ 2,072.4 crores as compared to ₹ 1,136.9 crores in FY2022.

Standalone Performance Highlights

- During the year under review, the Company has disbursed ₹ 49,541.4 crores as against ₹ 27,581.5 crores during the previous year, an increase of 79.6% over the same period in previous year.
- Total Income was ₹ 11,056.1 crores for the year ended 31st March 2023 as compared to ₹ 9,718.8 crores for the previous year.
- PBT grew by 98.8% at ₹ 2,698.1 crores as compared to ₹ 1,356.9 crores for the previous year.
- PAT grew by 100.7% at ₹ 1,984.3 crores as compared to ₹ 988.8 crores in the previous year.

- The Assets Under Management ("AUM") stood at ₹ 99,565 crores as at 31st March 2023 as against ₹ 79,797 crores as at 31st March 2022.

Gross Stage 3 improved due to focused collection initiatives and macro tailwinds. The Gross Stage 3 loan assets stood at ₹ 3,717 crores, lower than that on 31st March 2022 (₹ 4,976 crores). The Gross Stage 3% to Business Assets declined from 7.7% as at 31st March 2022 to 4.5% as at 31st March 2023.

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 FY2023 till the date of this Report, which would affect the financial position of your Company.

ECL and other updates

The Company has updated the Expected Credit Loss ("ECL") model with the latest set of data at periodic intervals for the year ended 31st March 2023, to capture the significant changes in economic and market drivers, customer behaviours and government actions to reduce the risk of uncertainty due to judgements and estimations considering economic outlook data as per government agencies around the growth parameters. The Company also continues to undertake risk assessment of its credit exposures in addition to the model determined ECL provision, to reflect deterioration in the macroeconomic outlook and uncertainty in credit evaluations. The Company held provisions (expected credit loss on financial assets) aggregating to ₹ 3,294.7 crores as on 31st March 2023 (₹ 4,508.8 crores as on 31st March 2022).

The Company's net Non-Performing Assets ("NPA"), net Stage-3 assets ratio stood at 1.9% as at 31st March 2023 as against 3.4% as at 31st March 2022.

Transfer to Reserves

The Company proposes to transfer an amount of ₹ 398.1 crores to the Statutory Reserves, in compliance with Section 45-IC of the Reserve Bank of India 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 ₹ 6,376.6 crores is proposed to be retained in the Profit and Loss Account of the Company.

Considering stellar performance and strong cash flows, your Directors are pleased to recommend a dividend of ₹ 6 per equity share (300%) on the face value of ₹ 2 each, for FY2023 vis-a-vis 180% dividend in FY2022.

The Company maintains sufficient liquidity buffer to fulfil its obligations arising out of issuance 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. The Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and interest thereon.

Dividend

Considering stellar performance and strong cash flows, your Directors are pleased to recommend a dividend of ₹ 6 per equity share (300%) on the face value of ₹ 2 each, for FY2023 vis- a- vis 180% dividend in FY2022. Dividend is subject to approval of the Members at the ensuing Annual General Meeting and shall be subject to deduction of tax at source. The dividend outgo for FY2023 will absorb a sum of ₹ 741.3 crores, which constitutes 37.35% pay out of Company's Standalone Profits for FY2023 and the same is within the ceilings specified in the Reserve Bank of India ("RBI") guidelines on Declaration of Dividend by NBFCs dated 24th June 2021.

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 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 name 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 21st July 2023 (Book Closure).

The Company has by email dated 17th May 2023, informed the Members about the deduction of tax at source on dividend. As it is imperative for the Company to receive the relevant information and declarations from shareholders to determine the details of the TDS rates applicable to different categories of shareholders, shareholders are requested to submit the necessary documents as mentioned in the aforesaid communication, on or before 10th July 2023.

The said communication is also uploaded on the website of the Company at https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-information.

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 ₹ 7,19,604 being the unclaimed dividend of the Company for FY2015 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 was amended by the Board to inter-alia, incorporate the provisions pertaining to 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.

The revised 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//investors/disclosures-reg-46-62/corporate-governance#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, housing finance, SME financing, insurance broking, mutual fund distribution, fixed deposits etc. Additionally, your Company is also foraging 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 1,386 offices spanning across 27 States and 7 Union Territories as on 31st March 2023. 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 also gains from a decentralised authorisation system, which enables each office to organically build its business and use its client connections by providing financial products like vehicle financing, pre-owned car loans, housing finance, SME financing, insurance broking, mutual fund distribution, fixed deposits etc. There are a few 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

As mobile technology continues to evolve, your Company has placed emphasis on implementation of mobile app ("MF Customer app") as a means of providing customer support, fostering brand loyalty, raising customer retention rates, inviting new customers and earning income. The MF Customer app provides customers with a variety of services right at their fingertips, saving time and money as compared to visiting a physical branch. The app, which is available in 11 languages (including 9 Indian regional languages), enables customers to apply for car loans, access and manage their loan accounts and make EMI payments using a variety of payment methods, including debit cards, net banking, UPI, and wallets. In FY2023, the app users have increased by 22% from the previous year (8.8 lakh users in FY2023 as compared to 7.2 lakh users in FY2022). Your Company has also offered mobile app to its dealer partners & dealer salesmen on PAN India basis. Your Company also launched specialised end to end journey named 'Used Car Digi Loans' in association with Car&Bike (by Mahindra First Choice Wheels) and Rupyy (by CarDekho) to enable customers to get customised loan offers from your Company enabling them to take faster buying decisions.

C. Leveraging Technology

As digitisation picks up pace, the Company's digital ambitions have grown multi-fold in the areas of improving business performance, better credit underwriting, enhancing customer experience, developing customised products, rethinking existing products.

The rollout of 'QuickCheck', an offer generation engine for premium target base of customers booking Mahindra vehicles like Scorpio N, XUV 300/400/700 at dealership helps dealers and sales team of automotive vertical to pitch right offers from your Company to the premium base of customers on the fly at showroom itself. Also, it assists dealers and sales teams in the automotive vertical in quickly and effectively presenting the best offers from the Company to the premium client base in-store.

'OneApp', an application to boost experience of field employees, has changed the digital posture of the way we did business earlier. Simultaneously, we continue to put a lot of effort on real-time digital utilities for KYC, NPA Stamping, and e-NACH while also strengthening our core through new partnerships for payment gateways, generating digital leads, managing collections, cloud base omnichannel customer experience etc.

As part of our endeavour to communicate with our customers across a variety of digital platforms, we have initiated set up of an end-to-end hyper personalised marketing tech platform.

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

The Company also continues to expand the penetration of data sciences and artificial intelligence. The implementation of strategic initiatives in business and collections has benefited greatly from the use of business intelligence dashboards and insights. In terms of business lines and volumes, the use of Machine Learning models in lending and retention has increased.

Additionally, we regularly monitor risk minimisation on the technology security front by using continuous risk management procedures that are compliant with ISO 27001:2013 and the COSO framework. 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, we are adopting data privacy practises.

> The Board has redefined the Vision for your Company which aims at positioning your Company as "A leading and responsible financial solutions partner of choice for emerging India"

D. Data as Competitive Advantage

Your Company has advantage when using analytics and artificial intelligence thanks to its operations in the rural and semi-urban markets for more than 25 years and dealing with a variety of profiles. 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.

E. Growth Drivers for Future

The customer and competitive environment is ever changing. A need was felt to recraft your Company's vision to help steer its growth over the next few years. Therefore, the management with approval of the Board has redefined the Vision for your Company which aims at positioning your Company as ***"A leading and responsible financial solutions partner of choice for emerging India"*** This new vision encompasses 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 Mission is to deliver a sustainable profitable growth characterised by continued growth including 2X Assets Under Management ("AUM"), stable asset quality (Gross Stage-3 assets < 4%), increased Return on Assets ~ 2.5% and improved operating leverage (Cost to Assets ~2.5%) by 2025.

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.

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

Your Company plans to scale its non-vehicle lending portfolio which includes SME loans, loan against property, personal loans, and other segments. These businesses have a promising future and the Company believes that the group strength positions us to participate in this growth journey.

The Company's Leasing and Subscription platform 'Quiklyz' which facilitates the customers to access new cars without the hassle of car ownership is helping to scale both the Corporate and Personal segments. It was launched initially in the metro cities and has now scaled to 15 other locations.

To summarise, your Company will focus on continuing to strengthen its dominance as an auto financier in emerging India, while also increasing the contribution of non-vehicle business to grow its AUM from ₹ 65,000 crores in FY2022 to 2X by FY2025.

For more information on the performance of the Company, risk management framework and initiatives please refer to Management Discussion and Analysis section forming part of this Annual Report.

Other Developments

Amendment to Memorandum of Association

In order to ensure that the Company's ongoing activities and emerging opportunities in the financial services space for furtherance of the Company's main objects and activities connected thereto in context of its present business are explicitly mentioned and are within the sphere of Memorandum of Association ("MOA") and to ensure cohesiveness and comprehensiveness of the MOA, the Board of Directors have subject to approval of the shareholders of the Company, approved amendment to a sub-clause in the "Matters which are necessary for furtherance of the objects specified in Clause III (A) of MOA".

Buy out of stake in Mahindra Insurance Brokers Ltd, subsidiary of the Company

Your Company currently holds 80% of the paid-up equity share capital of Mahindra Insurance Brokers Ltd ("MIBL") and the remaining 20% is held by Inclusion Resources Private Limited ("IRPL"). Pursuant to the approval of the Board and in accordance with the agreement between the two shareholders (i.e., Company & IRPL), your Company has entered into agreement to purchase 20% stake in MIBL, subsidiary of the Company, from IRPL at an aggregate consideration of ₹ 206.39 crores, on 21st October 2022 subject to approval of Insurance Regulatory and Development Authority of India ("IRDAI"). An application seeking approval has been filed with IRDAI on 25th November 2022. Post receipt of approval from IRDAI, transfer of shares and payment of consideration would be effectuated. Once the acquisition is completed, MIBL will become a wholly owned subsidiary of your Company.

> Pursuant to the Scale Based Regulations, the RBI has classified your Company as NBFC in Upper Layer

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

The Company has always endeavoured to maintain the highest standards of compliance and culture 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 Reserve Bank of India ("RBI"), from time to time. The Company continues to be in compliance with the norms pertaining to capital adequacy, non- performing assets etc. Your Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management and governance standards in the organisation.

Scale Based Regulations

The Scale Based Regulations ("SBR") were notified by the Reserve Bank of India ("RBI") vide its circular dated 22nd October 2021, effective from 1st October 2022. Pursuant to the Scale Based Regulations, the RBI has classified your Company as NBFC in Upper Layer ("UL"). Your Company has ensured full compliance with various requirements prescribed under SBR for NBFC-UL within the specified timelines including adopting policy for enhanced regulatory framework, Internal Capital Adequacy Assessment Process Policy (ICAAP), complying with large exposure norms, setting limits for sensitive sector exposure etc.

Chief Compliance Officer

In compliance with SBR, the Board has appointed a Chief Compliance Officer to oversee the compliances as applicable to the Company. The Board has also adopted Compliance Policy in compliance with SBR effective 28th March 2023.

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 aforesaid RBI circular.

Finance

During the year under review, Reserve Bank of India ("RBI") focussed on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. Accordingly, RBI raised the REPO Rate by 250 bps to take the REPO rate from 4% in April 2022 to 6.50% by March 2023. Liquidity conditions remained tight throughout the year with the banking sector liquidity falling from an estimated of over ₹ 7.50 lakh crore at the beginning of the financial year to around ₹ 1 lakh crore at the end of the financial year.

Inflation in India also continued to be on a higher side throughout the year. After touching a high of 7.79% in April 2022, Consumer Price Index ("CPI") inflation has moderated to 5.66% in March 2023 which is below the RBI's upper threshold of 6%. Globally, inflation continued at elevated levels, with inflation in US, UK and Euro Zone significantly higher than the target range for these economies. The rupee continued to weaken against the US Dollar throughout the year, in the wake of high probability of global recession. The rupee fell from ₹ 75.72/$ to low of over ₹ 83/$ before closing back at around the ₹ 82/$ mark.

In line with the domestic macro indicators i.e. high inflation, weakening rupee, higher credit growth vis-a-vis deposit growth and unfavourable global macro-indicators i.e. higher interest rates, high inflation and a high probability of recession in the developed economies like US, UK and Euro Zone, the interest rates in India also continued to rise throughout the year. The 1 Year and 2 Year G Sec curve moved from 4.81% and 5.49% in April 2022, to 7.18% and 7.10% respectively in March 2023 along with the movement in REPO Rate. During the year Interest cost on borrowed funds for the company increased from 6.68% as of 31st March 2022 to 7.53% as of 31st March 2023.

During the year under review, your Company continued with its diverse methods of sourcing funds in addition to regular borrowings 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 four securitisation transactions aggregating to ₹ 3954.85 crores.

Non-Convertible Debentures

During the year under review, your Company raised Secured/Unsecured Redeemable Non-Convertible Debentures ("NCDs") of ₹ 7,508.61 crores (₹ 9,804.70 crores being the face value of total amount raised) on a private placement basis, in various tranches, including ₹ 380 crores (₹ 380 crores being the face value of total amount raised) through Unsecured Redeemable Non-Convertible Subordinated Debentures eligible for Tier II Capital and ₹ 2.25 crores through Partly paid-up NCDs. The NCDs are listed on the debt market segment of BSE Limited.

As specified in the respective offer documents, the funds raised from 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.

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. As on 31st March 2023, there is 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, Principal payment of ₹ 10,93,000/- and Interest of ₹ 48,96,963/- is unclaimed by the investors as on 31st March 2023.

Commercial Paper

As at 31st March 2023, the Company had Commercial Paper ("CPs") with an outstanding amount (face value) of ₹ 4,075 crores. CPs constituted approximately 5.4% of the outstanding borrowings as at 31st March 2023. 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 to be obtained at the ensuing 33rd Annual General Meeting, increased the overall borrowing limit from ₹ 90,000 crores to ₹ 1,10,000 crores.

> 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.

The Company had an aggregate outstanding borrowings of ₹ 74,945.86 crores as on 31st March 2023 as shown hereunder:

Particulars	Deposits	Bank Loans	Non Convertible Securities	Subordinate Debt	Short Term Borrowing	Others (Inter Corporate Deposit/ Commercial Papers etc.)	External Commercial Borrowing	Total
₹ in crores	5524.60	36920.73	20809.06	3442.13	675.00	5023.63	2550.71	74945.86
% to total Borrowing	**7.4%**	**49.2%**	**27.8%**	**4.6%**	**0.9%**	**6.7%**	**3.4%**	**100%**

Credit Rating

CRISIL Limited upgraded your Company's long term credit rating to CRISIL AAA/Stable w.e.f. 6th January 2023. With this upgrade, 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 believes that its credit ratings and strong brand equity enables it to borrow funds at competitive rates. The Company has been assigned highest credit rating on all its instruments by leading rating agencies. The details of ratings are given in the Corporate Governance Report, forming part of this Annual Report.

Capital Adequacy

As on 31st March 2023, the Capital to Risk Assets Ratio ("CRAR") of your Company was 22.5% which is well above the minimum requirement of 15% CRAR prescribed by the Reserve Bank of India.

Out of the above, Tier I capital adequacy ratio stood at 19.9% and Tier II capital adequacy ratio stood at 2.6% respectively.

Share Capital

The issued, subscribed and paid-up Equity Share Capital as on 31st March 2023 was ₹ 247.1 crores, 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 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company. ESOPs granted to the Vice Chairman and Managing Director of the Company under the Company's Employee Stock Option Scheme would vest as per the applicable vesting schedule.

CRISIL Limited upgraded your Company's long term credit rating to CRISIL AAA/Stable. With this upgrade, your Company enjoys highest rating for its long term and short term borrowing programmes from all the credit rating agencies it is associated with.

Economy

Global Economy

Global Economy remains resilient and appears to be in a position wherein gradual recovery with the blow of Russia-Ukraine war is underway. Supply chain disruptions which has led to shortage in availability of products are unwinding. Inflation which has been a cause of continuous concern seems to now be retracing back. Growth looks to rebound in 2024 after the bottoming out in 2023. However, there seems to be turbulence beneath the surface with inflation continuing to be stickier than anticipated, sharp effect of policy tightening after a long cycle of benign interest rates resulting in sizable markdowns on long term fixed rate investments. Further, turmoil in the banking system in some advanced economies have triggered risk aversion, flight to safety and heightened volatility. The state of financial health of the system shall depend on the ability of policy makers to take swift actions by building greater oversight. In contrast, the pace of growth in emerging markets and developing nations are even stronger with growth being visible at 4.5% (in the fourth quarter of the current year) compared to 2.8% (in the fourth quarter of 2022).

Domestic Economy

Economic activity remained resilient in the last quarter of FY2023. A strong Rabi production, expansion in industrial production and growth in core industries all indicates positive growth in the agricultural and industrial activity. The inflation trajectory for FY2024 would be shaped by both domestic and global factors. Global financial market volatility has surged, with potential upsides for imported inflation risks. The expectation of a good rabi crop should strengthen rural demand, while the sustained buoyancy in contact-intensive services should support urban demand. Government's thrust on capital expenditure continues and continuing strong capacity utilisation in manufacturing, double digit credit growth and the moderation in commodity prices are expected to bolster manufacturing and investment activity. The external demand drag could accentuate, given slowing global trade and output. Protracted geopolitical tensions, tight global financial conditions and global financial market volatility pose risks to the outlook. Taking all these factors into consideration, real GDP growth for 2023-24 is projected at 6.5% with Q1:2023-24 being the highest at 7.8%.

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.

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.

A Report on Corporate Governance along with a Certificate from M/s. Makarand M. Joshi & Co. certifying compliance 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

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).**

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 interactions are held with investors/ analysts/funds to protect Company's UPSI.

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 interactions 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 FY2023, 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/investors/disclosures-reg-46-62/financial-information

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 is a material, debt listed subsidiary, of your Company.

Operational and performance highlights of the Company's Subsidiary, Joint venture/Associate Companies for FY2023 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 rural and semi-urban areas of the country, registered a total income of ₹ 1,349.8 crores as compared to ₹ 1,377.5 crores for the previous year, decline of 2% over previous financial year. Profit Before Tax was 54.4% lower at ₹ 26.3 crores as compared to ₹ 57.7 crores for the previous year. Profit After Tax was 54.5% lower at ₹ 21.7 crores as compared to ₹ 47.7 crores in the previous year.

During the year under review, MRHFL disbursed loans aggregating to ₹ 2,004 crores as against ₹ 1,602 crores in the previous year.

MRHFL continued its focus on serving customers in rural India. Majority of the loans disbursed were to the customers in villages with an average annual household income of less than ₹ 3 lakhs. During the year under review, MRHFL disbursed home loans to more than 59,000 households. MRHFL is expanding its reach to provide affordable housing loans in its chosen geographies.

Mahindra Insurance Brokers Limited

During the year under review, Mahindra Insurance Brokers Limited ("MIBL"), subsidiary of the Company engaged in the business of Direct and Re-insurance Broking, serviced approximately 2.9 million insurance cases, for both Life and Non-Life Retail business. The customised Group Credit Term Life increased from 5,02,508 lives covered with a Sum Assured of ₹ 19,519 crores in FY2022 to 6,03,542 lives covered with a Sum Assured of ₹ 25, 577 crores in FY2023. A substantial portion of Group Credit Term Life continues to be covered in the rural markets.

There is growth of 46% in Gross Premium facilitated for the Corporate and Retail business lines, increasing from ₹ 2,768.1 crores in FY2022 to ₹ 4,036.8 crores in FY2023. The Total Income increased by 23% from ₹ 348 crores in FY2022 to ₹ 426.5 crores in the FY2023. The Profit Before Tax decreased by 35% from ₹ 70.4 crores to ₹ 46.1 crores and the Profit After Tax decreased by 34% from ₹ 51.9 crores to ₹ 34.4 crores during the same period.

MIBL has been able to extend the benefit of insurance to over 4 lakh villages across India.

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 2023, MMIMPL was acting as the investment manager to 20 schemes of the Mutual Fund. The Average Assets Under Management in these 20 schemes were ₹ 9,691 crores as on 31st March 2023 as compared to ₹ 8,839 crores as on 31st March 2022, delivering a growth of 9.6% in assets. Of these assets, ₹ 8,294 crores were in equity and hybrid schemes in March 2023, as compared to ₹ 5,911 crores in March 2022, a growth of 40%. MMIMPL has empanelled 23,983 distributors and now has 5,77,009 investor accounts in these 20 schemes.

During the year under review, the total income of MMIMPL was ₹ 44.1 crores as compared to ₹ 35.3 crores for the previous year. The operations for the year under consideration have resulted in a loss of ₹ 30.9 crores as against a loss of ₹ 38.1 crores 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 ₹ 73.8 lakhs and other income of ₹ 7.3 lakhs as compared to ₹ 72.6 lakhs and ₹ 3.5 lakhs, respectively, for the previous year. MMTPL recorded a profit of ₹ 16.1 lakhs for the year under review compared to a profit of ₹ 22.8 lakhs in the previous year.

Mahindra Ideal Finance Limited (Sri Lanka)

Your Company holds 58.2% stake in Mahindra Ideal Finance Ltd (Sri Lanka) {"MIFL"} with a total investment of ₹ 77.97 crores. Leveraging on the Mahindra Finance's expertise of over 26 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.

During the year under review, Sri Lanka went through unprecedented political and economic crisis which triggered an acute shortage of foreign exchange. Despite challenging circumstances, MIFL registered a growth in top line as well as has remained profitable. During the year under review, MIFL registered a total income of LKR 1,924 million as compared to LKR 1,322 million for the previous year, registering a growth of 46%. Profit Before Tax was 51% lower at LKR 153 million as compared to LKR 310 million for the previous year. Profit After Tax was 64% lower at LKR 87 million as compared to LKR 239 million in the previous year.

With 7 new branches opened during the year, the Company increased its footprint to 27 locations in the island nation.

Mahindra Finance CSR Foundation

Mahindra Finance CSR Foundation was incorporated on 2nd April 2019 as a wholly-owned subsidiary of Mahindra Finance 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 a decrease of 3.9% to USD 877.2 million for the year ended 31st March 2023 as compared to USD 912.8 million for the previous year.

Total Income increased by 13% to USD 62 million for the year ended 31st March 2023 as compared to USD 54.9 million for the previous year. Profit before tax was 15% lower at USD 19.8 million as compared to USD 23.2 million for the previous year. Profit after tax declined by 14% to USD 15 million as compared to USD 17.4 million in the previous year.

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

During the year under review, 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 2023, your Company has mobilised funds from Fixed Deposits to the tune of ₹ 5,541.8 crores, with an investor base of over 92,880 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.
- 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.

As at 31st March 2023, 4,883 Deposits amounting to ₹ 4.9 crores had matured for payment and remained unclaimed. The unclaimed Deposits have since reduced to 4,678 Deposits amounting to ₹ 4.5 crores. 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 it.

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 2023, 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: 4,883

ii. Total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid: ₹ 4.9 crores

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

1. Penny drop testing one month prior to maturity and interest pay out process is being conducted to reduce rejection cases.
2. Deposit holders are being reached out via SMS/ Calls/ Email/Physical letters, as applicable.
3. In case of death of depositors, claim settlement process is advised to joint depositors/nominee/ legal heir, as the case may be;
4. Unclaimed FDs are being validated with the depositor's Loan account with the Company , if any.
5. In case the cheque is undelivered, the Company deposits the amount in the bank account of the customer, after necessary confirmations.

Transfer of Unpaid Amount(s) 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 ₹ 0.08 crores being the unclaimed amount of matured fixed deposits and ₹ 0.05 crores 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 loans and advances in the nature of loans 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.

> Company became 1st NBFC in India to join the United Nations Global Compact Network for taking steps towards responsible business actions to create a better world for our future generation.

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.51(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:

CSR

- Received a special commendation for CSR Program 'Swabhimaan' at the CSR Journal Excellence Awards.
- Recognised for persistent & innovative efforts in promoting CSR by The Institute of Company Secretaries of India during the 7th ICSI CSR Excellence Awards - 2023.
- Awarded CSR Times Awards 2022 - Gold category for CSR Initiatives under Swabhimaan in the area of skill development at the 9th National CSR Times Award 2022, New Delhi.

Sustainability

- Became 1st NBFC in India to join the United Nations Global Compact Network for taking steps towards responsible business actions to create a better world for our future generation.
- Featured under the Leadership Index for performance under ESG domain in the 2nd Edition of CRISIL Sustainability Yearbook.
- Improved CDP rating level to "B" and placed under leadership category for taking steps towards managing its carbon emissions.
- Included in the renowned FTSE4 Good Emerging Markets Index series for ESG Performance for the 4th Consecutive time.

Marketing

- Won Silver Award for Aapke Safar Ka Saathi testimonial video series at the RMAI Flame Awards Asia 2022.

Human Resources

- Great Place to work certified 2023 & Top 25 Great Place to Work in BFSI 2023.
- Ranked 2nd in Financial Services Industry (Large Category) by AmbitionBox Best Places to Work in India - Employee Choice Award.
- Recognised as Happiest Workplace for Women at India Today - RPG Happiness at Workplace Summit & Awards - 2023.

Employee Stock Option Scheme and Restricted Stock Unit Plan - 2023

Employee Stock Options are recognised as an effective instrument to attract and retain talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to participate in the growth of the Company and to create long-term wealth in the hands of employees.

During the year under review, 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 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 Scheme during FY2023. A Certificate from M/s. Makarand M. Joshi & Co., Secretarial Auditor of the Company for FY2023, certifying that the Company's above-mentioned Scheme has 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 28th July 2023.

The applicable disclosures as stipulated under SBEBSE Regulations for the year ended 31st March 2023, with regards to the 2010 Scheme 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/investors/disclosures-reg-46-62/financial-information

Considering limited number of options in the 2010 scheme and with a view to continue the practice of rewarding performance of the employees, creating ownership culture and to retain, motivate and attract talents in light of growing business and to align interests of shareholders with that of employees, the Board of Directors of your Company, have subject to the approval of the shareholders, approved a new 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 2023.

> To continue the practice of rewarding performance of the employees, creating ownership culture and to retain, motivate and attract talents, the Board of Directors of your Company, have subject to the approval of the shareholders, approved a new Restricted Stock Unit Plan.

Necessary resolutions seeking members approval for the MMFSL RSU Plan-2023 and related matters are incorporated in the Notice convening 33rd Annual General Meeting of the Company.

Sustainability Initiatives

In line with the Mahindra Group's motto: ***'Rise for Good'***, your Company is gearing up to be future ready by making **"Sustainability"** as an integral part of the business strategy and risk framework. Sustainability has been a part of organisation's philosophy since its establishment. Your Company's growth story mirrors the story of India's transformation and its vision for financial inclusion. It is with this purpose that the company works with and extends its services to the communities in rural areas with the aim to change their lives. At Mahindra Finance, Sustainability is imbibed in its business philosophy and is seen as part of its intrinsic DNA. Your Company's focus on rural customers and its constant endeavour is enabling them to ***Rise*** by empowering people and creating shared value for all. Your Company's approach and accomplishments on Sustainability echoes its mission of transforming rural lives and contributing to people, planet and profit. Your Company is constantly making a positive impact on the society in areas of health, education, environment, skill enhancement, rural development and technology incubation.

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 commenced its journey towards reporting Sustainability performance in the year 2008-09 through Mahindra Group's Sustainability Report. In FY2013 the Company released its first Independent Sustainability Report with the theme "Forward focus to transform lives". **In FY2021, the Company released its first Integrated Report with the theme "Care above Everything else".** The Integrated Report represented facts during the pandemic, proactive steps taken to support our stakeholders and navigate the challenging period together for a resilient society. The Report adheres to the Global Reporting Initiative's ("GRI") Standards, UN SDG's and is based on the Integrated Reporting framework ("IIRC").

Your Company continued to focus on integrating Sustainability into its business practices across valued stakeholders through key initiatives.

Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, the Company's 1st Business Responsibility and Sustainability Report for the year ended 31st March 2023, forms part of this Annual Report.

The Board of Directors have adopted a new 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 Report -Training and Initiatives

Your Company outreached it's stewardship as a ESG leader and conducted its first ever Business Responsibility and Sustainability Reporting training for value chain partners, by emphasising on the best practices and case studies of its 9 principles based on NGRBC. The integrated and empowering approach towards the stakeholders provides a visibility of ESG practices across the value chain and enables the Company to form its sustainability strategy. This future oriented outlook of aligning the stakeholders with our ESG goals will play a considerable role in achieving the companies ESG targets.

Sensitising the employees to a novel concept such as Sustainability has been one of the key initiatives of the Company during the year. Capacity building on Sustainability has been driven through employee engagement Initiatives. During the year, your Company launched a training module on Business Responsibility and Sustainability Report ("BRSR").

Initiatives like "Green Gifting", "I Am Responsible" activities launched to promote ESG culture and sustainable consumption practices in employees will enable sustainable behavioral changes & knowledge development as a core value of the Company.

Company outreached it's stewardship as a ESG leader and conducted its first ever Business Responsibility and Sustainability Reporting training for value chain partners, by emphasising on the best practices and case studies of its 9 principles based on NGRBC.

Your Company was recognised for its Sustainability initiatives with the accolades as stated in Achievements section.

Your Company made proactive efforts to reduce CO_2 emissions (carbon footprint) through Project "Mahindra Hariyali" by planting 2,94,000+ saplings throughout the country.

As a service sector, the major waste contributor is paper. 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 authorised organisations and in exchange receiving wheat straw based copier paper for further consumption. This initiative ensures circular economy and promotion of sustainable consumption in business.

Your Company's inclusive sustainable business model is future ready and well equipped to enable its stakeholders progress.

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 FY2023, 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 26,058 employees all over India. By working with around 50 NGOs and 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

The 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. Ramesh Iyer	Executive Director

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.

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. The CSR Policy of the Company was amended to align the same with regulatory provisions pertaining to CSR.

The CSR Policy has been hosted on the website of the Company at: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies

3. CSR Initiatives

'Swabhimaan'- CSR Flagship program:

The 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 FY2023, to further solidify our 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 FY2023, **we reached out to over 1,62,400+ beneficiaries across India.** Through the Swabhimaan program, your Company provided 4 wheeler vehicle driving training to 3,100+ freshers, road safety training to 7,850+ existing drivers, auto mechanic training to 2,300+ youth, conducted financial & digital literacy sessions for 1,42,000+ drivers and awarded scholarships to 7,000+ children of drivers. **Through above interventions, your company impacted lives of 12,200+ women beneficiaries.**

Your Company launched innovative Financial Literacy Campaign "Money Gyaan Se Jeevan Aasaan" with the objective to create awareness about EMI Fraud Prevention, Government SME and MSME schemes and Responsible borrowing under the theme "Money Kathayein". This Public awareness campaign targeted to masses across rural and urban communities educating on basic financial behaviours. Around 85 million views were garnered through this digital campaign.

Women Empowerment Projects

Reaffirming its commitment to the cause of education, **your Company continued its support to the Nanhi Kali Program which has benefitted over 14,000+ 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. 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. To help improve learning outcomes, the project provides every girl with access to personalised, adaptive learning software.

Further your Company continued Mahindra Pride Classroom program 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. Under this program, we conducted 40 hours training for 62,900+ final year female students in classrooms across government/government aided colleges, polytechnics, industrial training institutions, employer premises etc. to enhance their employability prospects in the emerging areas like Science, Technology, Engineering and Mathematics ("STEM"), digital marketing, coding, digital & financial literacy, new educator and regenerative agriculture which are in high demand in today's job market.

Your Company launched pilot projects on Women Economic Empowerment Skill Development with an aim to enable women to join the workforce and make them economically empowered. Your Company trained 2,500+ women as Sewing Machine Operator, General Duty Assistant, Data Entry Operators, Call centre/PO related skills training.

Environmental Sustainability Projects

To continue with its commitment to increase the green cover, as a part of the Mahindra Hariyali project, your Company, planted more than 2,94,000+ saplings across India. As a part of the Environmental Sustainability, your Company constructed 10 rainwater harvesting structures (bore well recharge) in the schools to provide water and created 5 farm ponds to provide water to the farmers throughout the year. Through this intervention, 3.50 lakhs Litres of water potential is expected to get created. This project is expected to support 2,450 beneficiaries from the rural areas of Maharashtra.

Disaster Management (Relief and Rehabilitation)

Your Company being responsive to its approach towards natural calamities, supported reconstruction and renovation of 6 flood affected government schools from Maharashtra and Bihar through which 1,000+ students will be benefited. Your Company also distributed Dry Ration and Personal Hygiene Kits to 1,200+ flood affected families in Assam as humanitarian aid.

Health

In the area of healthcare, your Company organised nationwide blood donation drives in which 6,240 Blood Units were collected, health check-up camps were conducted. Your Company undertook Swachh Bharat initiatives and donated 12 ambulances that have enabled access to primary healthcare centers, easy for several tribal and rural patients across the nation.

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.

Your Company has always encouraged the employees to participate in various CSR Projects to drive positive changes amongst the community. During the reporting period, around 18,200 employees (79% of total employees) contributed 97,400 volunteering 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 re-affirm its pledge to the society.

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.

The Company spent ₹ 37.22 crores on the CSR activities during FY2023, against the mandatory obligation of ₹ 37.13 crores.

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 FY2023 was ₹ 37.13 crores, against which the Company has spent ₹ 37.22 crores during FY2023. Your Company is in compliance with the statutory requirements in this regard.

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 FY2023.

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

The Company has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. In compliance with the provisions of Section 135 of the Companies Act 2013 read with sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, impact assessment was required to be carried out for the following projects

1. COVID 19 Relief Project
2. Swabhimaan
3. Mahindra Pride School
4. Nanhi Kali
5. Women Economic Empowerment

The Company has engaged independent agencies to carry out the impact assessment for the aforesaid projects. Of the abovementioned projects, impact assessment has been completed for COVID-19 relief project and Swabhimaan.

The Executive Summary for Impact Assessment Reports of COVID-19 relief project and Swabhimaan, is annexed with **'Annexure II'** of this Report and the complete Impact Assessment Reports of the applicable projects can be accessed at the web-link: https://www.mahindrafinance.com/rise-for-good/csr-reports

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/investors/disclosures-reg-46-62/financial-information/

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. The Board Diversity Policy, as a part of Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management w.e.f. 25th November 2022 sets out the Board's approach to diversity.

As on 31st March 2023, the Board of your Company consisted of 10 Directors comprising of a Non-Executive Chairman, 1 Executive Director, 2 Non-Executive Non-Independent Directors and 6 Independent Directors, of whom 2 are Women Directors.

Committees constituted by the Board of Directors

Your Company has various Committees which have been constituted as a part of good corporate governance practices and the same 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 2023, 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. Amit Kumar Sinha	Non-Executive Non-Independent Director
Mr. Diwakar Gupta	Independent Director

Changes in Audit Committee Members:

- Dr. Anish Shah ceased to be a Member of the Committee w.e.f. 2nd May 2022.
- Mr. Amit Kumar Sinha was appointed as the Member of the Committee w.e.f. 2nd May 2022.
- Mr. Diwakar Gupta was appointed as the Member of the Committee w.e.f. 3rd February 2023.

During the year under review, 6 Audit Committee Meetings were held. Further, the terms of reference of the Audit Committee were enhanced during the year under review, to align it with statutory amendments notified under SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022.

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

Meetings and Postal Ballot

The Board of Directors met 7 times during the year under review i.e. on 2nd May 2022, 28th July 2022, 26th September 2022, 4th October 2022, 2nd November 2022, 3rd February 2023 and 16th March 2023, as against the statutory requirement of at least four meetings. The requisite quorum was present for 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 32nd AGM of the Company was held on 28th July 2022 through Video Conference.

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

During the year under review, basis recommendation of the Nomination and Remuneration Committee and the Board of Directors, members by way of special resolution passed through postal ballot on 30th December 2022, appointed Mr. Diwakar Gupta as an Independent Director to hold office for 1st term of 5 consecutive years commencing from 1st January 2023 to 31st December 2027 (both days inclusive).

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 in advance to the Directors.

Meetings of Independent Directors

The Independent Directors met twice during the year under review, on 8th September 2022 and 16th March 2023. The Meetings were conducted in an informal manner 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 (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Directors and Key Managerial Personnel

Appointment/Re-appointment of Directors during FY2023 and upto the date of this report

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

  Pursuant to succession planning approved by Nomination and Remuneration Committee("NRC") and as recommended by NRC, Mr. Raul Rebello has been appointed by the Board of Directors, subject to the approval of the shareholders, as the Whole-time Director and KMP designated as 'Executive Director and MD & CEO-designate' w.e.f. 1st May 2023 to 29th April 2024 (both days inclusive) and as the Managing Director of the Company designated as 'Managing Director & CEO' w.e.f. 30th April 2024 to 30th April 2028 (both days inclusive).

  Mr. Raul Rebello will assume the office of the Managing Director effective 30th April 2024, after superannuation of Mr. Ramesh Iyer, Vice-Chairman and Managing Director of the Company on 29th April 2024.

  The approval of the shareholders for appointment of Mr. Raul Rebello as mentioned above would be obtained at the ensuing 33rd AGM of the Company. Necessary resolutions(s) seeking approval of the members are incorporated in the Notice of the 33rd Annual General Meeting of the Company.

- **Appointment of Mr. Diwakar Gupta as an 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 by means of a Special Resolution passed on 30th December 2022 vide Postal Ballot approved the appointment of Mr. Diwakar Gupta (DIN: 01274552) as an Independent Director w.e.f. 1st January 2023 for a period of five consecutive years, not liable to retire by rotation. In the opinion of the Board, Mr. Diwakar Gupta holds high standards of integrity, expertise and experience.

  He is exempted from the requirement to undertake the online proficiency self-assessment test.

- **Appointment of Mr. Siddhartha Mohanty as a Non-Executive Non-Independent Director**

  Pursuant to the recommendation of NRC and the Board of Directors of the Company, the members of the Company have by means of an Ordinary Resolution passed on 15th March 2022 vide Postal Ballot, approved the appointment of Mr. Siddhartha Mohanty (DIN: 08058830) as a Non-Executive Non-Independent Director of the Company w.e.f. 1st April 2022, liable to retire by rotation.

Cessation of Directors

Mr. Amit Raje (DIN: 06809197) Whole-time Director, designated as Chief Operating Officer Digital Finance - Digital Business Unit was liable to retire at the 32nd AGM of the Company held on 28th July 2022 and was eligible for re-appointment. However, Mr. Raje did not seek re-appointment due to pre-occupation and consequently ceased to be Whole-time Director and Key Managerial Personnel of the Company w.e.f. 28th July 2022.

During the year under review, no Independent Director of the Company resigned before the expiry of his/ her tenure.

Retirement by Rotation

In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Amit Kumar Sinha Non-Executive and Non Independent Director, is liable to retire at the 33rd AGM of the Company scheduled to be held on 28th July 2023 and is eligible for re-appointment.

However, he does not seek re-appointment as a Director due to his transition to a new role in Mahindra Group i.e. he has been appointed as the Managing Director and CEO of Mahindra Lifespace Developers Limited w.e.f. 23rd May 2023 and accordingly he would cease to hold office as a Director of the Company at the close of the ensuing AGM, scheduled to be held on 28th July 2023. The Board has taken note of the same and resolved not to fill the vacancy so caused.

Re-appointment of Independent Director

The 1st term of Mr. Milind Sarwate, Independent Director of the Company expires on 31st March 2024. Basis the performance evaluation report, business knowledge, skills sets, experience and substantial contribution made by Mr. Sarwate during his 1st term and 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 re-appointment of Mr. Milind Sarwate (DIN: 00109854) as an Independent Director on the Board of the Company, for a second term of 5 consecutive years w.e.f. 1st April 2024. The necessary resolution seeking approval of the members of the Company has been incorporated in the Notice of 33rd Annual General Meeting of the Company.

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. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September 2016, as amended, and that they are not disqualified from being appointed/continuing as Director in terms of Section 164(1) and (2) of the Companies Act, 2013.

Declaration by Independent Directors

All the Independent Directors of the Company have given their declarations and confirmation that they fulfil the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 ("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 holds 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 except Dr. Rebecca Nugent, are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA. Dr. Rebecca Nugent has cleared the online proficiency self- assessment test in January 2023.

Key Managerial Personnel

The following persons were designated as the Key Managerial Personnel ("KMP") of the 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 2023:

1. Mr. Ramesh Iyer, Vice-Chairman & Managing Director
2. Mr. Vivek Karve, Chief Financial Officer of the Company and Group Financial Services Sector
3. Ms. Brijbala Batwal, Company Secretary

Changes in Key Managerial Personnel during FY2023

Mr. Amit Raje, ceased to be the Whole-time Director and KMP of the Company w.e.f. 28th July 2022.

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 2023, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.

ii. They have in consultation with the Statutory Auditors 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 2023 and of the profit of the Company for the year ended on that date.

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 2023 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 2023.

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 2023.

Performance Evaluation of the Board

The Companies Act, 2013 ("the 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.

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 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 VC & 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 the Company as on 31st March 2023 had participated in the evaluation process. The Directors have expressed satisfaction with the criteria for evaluation of performance of Board, its Committees and individual Directors, assessed via online portal through series of questions. The results of evaluation were encouraging showing high level of engagement of Board and its Committees performing its role with effective oversight and providing guidance to Management. The results of the evaluation were shared with the Board, Chairman of respective committees and individual Directors.

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 FY2023.

Familiarisation Programme for Directors

The 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 Independent Directors of the 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. During the year under review, the Company migrated to a new secure 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 Reports, Code of Conduct for Directors, terms of appointment, committee charters and other policies 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"), the Company has during the year conducted familiarisation programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors.

Details of familiarisation 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//investors/disclosures-reg-46-62/corporate-governance#familiarisation-programme 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. Basis the recommendation of the Nomination and Remuneration Committee, the Board of Directors had approved the revised policy, effective 25th November 2022 for strengthening the disclosures on Corporate Governance, including policies on Board membership criteria, Board Diversity Policy, Policy on criteria for determining independence of Directors, updating statutory amendments and updation with regards to Succession Planning.

The Company migrated to a new secure Board portal which inter-alia provides one stop and seamless access to Board/Committee materials to all the Directors.

The said policy is available on the website of the Company and can be accessed at https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies

ii) 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 also 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 ("RBI") and Listing Regulations. During the year, the said Policy was revamped to align with RBI Guidelines dated 29th April 2022 including introducing clawback/malus clause in the Policy.

The said Policy is uploaded on the website of the Company and can be accessed at: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#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 was 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.

Joint Statutory Auditor's certification on internal financial controls

The Joint Statutory Auditors of the 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 2023.

Internal Audit Framework

The 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.

> 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 for FY2023 and FY2024.

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 2nd May 2022, 20th September 2022, 2nd November 2022 and 16th March 2023.

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 for FY2023 and FY2024. 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 performance indicators, risk management measures and the steps being taken to mitigate these risks.

Auditors and Audit Reports

Statutory Auditors and their Reports

In terms of the provisions of Section 139 of the Companies Act, 2013 and RBI guidelines for appointment of statutory auditors of NBFCs and basis the recommendation of the Audit Committee and the Board of Directors of the Company, the members have at 32nd AGM held on 28th July 2022 approved the appointment of 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"], as the Joint Statutory Auditors of the Company to hold office for a period of 2 consecutive years from the conclusion of the Thirty-second Annual General Meeting till the conclusion of the Thirty-fourth Annual General Meeting of the Company to be held in the year 2024. The Joint Statutory Auditors holds a valid peer review certificate as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

> The joint Statutory Auditors have issued unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31st March 2023. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

The joint Statutory Auditors have issued unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31st March 2023. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

The joint Statutory Auditors have given a confirmation to the effect that they have not been disqualified in any manner from continuing as the Statutory Auditors.

Joint Statutory Auditors of the Company were present at the last Annual General Meeting ("AGM") held on 28th July 2022.

Adoption of Policy for appointment of Statutory Auditors

In compliance with the Reserve Bank of India Guidelines dated 27th April 2021, the Company has in place a Policy for appointment of Statutory Auditors 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 the 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 FY2023 issued by M/s. Makarand M. Joshi & Co., is appended to this Report as **"Annexure III".**

The former Secretarial Auditor viz. M/s KSR & Co., Company Secretaries LLP and the current secretarial auditor M/s. Makarand M. Joshi & Co., were present at the last AGM of the Company held on 28th July 2022.

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

Secretarial Audit of Material Subsidiary

The Secretarial Audit of Mahindra Rural Housing Finance Limited ("MRHFL"), a material, debt listed subsidiary of the Company, for FY2023 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.

Annual Secretarial Compliance Report with additional confirmations on compliances

In compliance with Regulation 24A of SEBI Listing Regulations, your Company has undertaken an audit for FY2023 for all the applicable compliances as per SEBI (Listing Obligations and Disclosure Requirements) 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 FY2023 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.

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 the Company and hence such accounts and records were not required to be maintained by the Company.

Reporting of Frauds by Auditors

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, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

Particulars of Contracts or Arrangements 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. Prior/omnibus approval is obtained for Related Party Transactions which are of repetitive nature and/or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions and subsequent material modifications are placed before the Audit Committee for review and approval.

All Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis. During the year under review your Company had not entered into any material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements or exceeding ₹ 1,000 crores.

Disclosure as required in Form AOC-2

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2023 which were not at arm's length basis. Further, there were no material contracts or arrangements or transactions for the year ended 31st March 2023. The disclosure as required under Section 134(3)(h) of the Companies Act 2013, in form AOC-2, is not applicable to the Company and hence, the prescribed Form AOC-2 does not form a part of this 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', is available on the Company's website: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies.

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. Further, details on the transactions with related parties are provided in the accompanying financial statements.

> As per the Company's Whistle Blower Policy, 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.

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 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//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies

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 2023 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/investors/disclosures-reg-46-62/financial-information

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 IV.'**

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

During FY2023, Mr. Ramesh Iyer, Vice Chairman & Managing Director has received an amount of ₹ 89.23 lakhs towards settlement of fourth vesting of Employees' Phantom Stock Options granted by Mahindra Insurance Brokers Limited, subsidiary of the Company.

Mr. Amit Raje, was appointed as Whole time Director ("WTD") of the Company w.e.f. 1st April 2021 and ceased to hold the said position w.e.f. 28th July 2022. Mr. Raje was earlier associated with the Holding Company viz. Mahindra & Mahindra ("M&M") as Executive Vice President - Partnerships & Alliances, wherein he was granted 97,783 ESOPs of M&M at an exercise price of ₹ 5/- per share. While he was paid remuneration from the Company during his stint with the Company as WTD, out of 43,458 ESOPs of M&M vested and exercisable by him, he exercised 34,028 ESOPs during FY2023.

Except as mentioned herein, Mr. Ramesh Iyer and Mr. Amit Raje did not receive any other remuneration or commission from Holding/Subsidiaries of the Company during FY2023.

> 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).

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.

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//investors/disclosures-reg-46-62/corporate-governance#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 sensitised 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 off during the FY2023, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during the year - 1
b) Number of complaint(s) disposed off during the year - 1
c) Number of cases pending as at 31st March 2023- 0

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 joinees as a part of induction module.
- An online e-learning module for employees on Prevention of Sexual Harassment covering topics on Sexual Harassment, process of filing complaints, dealing with sexual harassment, etc. is developed for training all the employees. 83% of the employees have completed this training.
- ICC training conducted for all ICC members. - 1 session
- POSH sensitisation training conducted for HR team. - 5 sessions

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 V'** to the Board's Report.

Policies

The details of the Key Policies adopted by the Company and changes made therein, if any, during the year under review are mentioned at **"Annexure VI"** 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 Committees.

Your Company has duly 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.

During the year under review and till the date of this report, Reserve Bank of India ("RBI") has passed the following orders against the Company:

1. Vide its press release dated 22nd September 2022, the RBI had directed the Company to cease carrying out any recovery or repossession activity through outsourcing arrangements. The said prohibition was lifted by RBI effective 4th January 2023 based on the submissions made by the Company and its commitment to strengthen its recovery practices and outsourcing arrangements, tighten the process of onboarding third party agents and strengthen accountability framework as per its Board approved action plan.
2. Vide its order dated 5th April 2023, the RBI imposed a monetary penalty of ₹ 6.77 crores on the Company for deficiencies in regulatory compliance with the RBI directions on fair practices relating to disclosure of annualised rate of interest charged on loans to certain borrowers at the time of sanction and failure to give notice of change in terms and conditions of loan to these borrowers. Your Company has already implemented remedial actions to modify its processes and documentation to ensure disclosures, as per regulatory requirements.

The above-mentioned orders do not impact either the going concern status or the Company's operations in future.

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

The Members may also refer note no. 53(VII)(b) of the standalone financial statements.

Disclosure Pertaining to Insolvency & Bankruptcy Code

Your Company has not made any application under the Insolvency and Bankruptcy Code, 2016 ("IBC") during the year under review. The details of the pending proceedings under IBC is mentioned hereunder:

Your Company had filed 2 petitions with National Company Law Tribunal ("NCLT") under IBC in FY2021, for recovery of outstanding loans from its customers, being Corporate Debtors. The proceedings with respect to said petitions were completed and order has been passed by the respective jurisdictional NCLTs for initiating Corporate Insolvency Resolution Process against the said companies.

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 Disclosure

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;
- 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 of 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 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 : Mumbai
Date : 28th April 2023

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 capitalisation 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//investors/disclosures-reg-46-62/corporate-governance#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 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 and 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 percent as at the close of the financial year.

Annexure II

Corporate Social Responsibility

Annual Report on Corporate Social Responsibility ("CSR") Activities for FY2023

1. Brief outline on CSR Policy of the Company

At Mahindra & Mahindra Financial Services Limited ('MMFSL' or 'The Company' or 'Mahindra Finance') we believe that 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 stakeholders, MMFSL strives to become an asset in the communities where it operates.

The endeavor is to empower the communities and help them unleash their true potential. Keeping in mind the core purpose of driving positive change in the lives of our communities, the Company has been investing in impactful CSR projects.

The objective of our CSR Policy has been to:

- Define and lay down the guiding principles and strategies for implementing Company's CSR initiatives;
- Outline our Board's vision and approach for undertaking CSR programs and create impact in the communities.
- Encourage an increased commitment and engagement from the employees towards CSR.

CSR Thrust Areas

Your Company has identified the following CSR thrust areas for undertaking CSR projects/ programs in India which are aligned with national priorities:

- **Education & Livelihood -** Promoting education, including special education, financial literacy and employment enhancing vocation skills especially among children, youth, adults, women, elderly and the differently- abled, and livelihood enhancement projects.
- **Health -** Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- **Environment -** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, Tree Plantation, conservation of natural resources and maintaining quality of soil, air and water etc.
- **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.

We ensure to define and lay down the following in all our CSR projects undertaken:

- Project objectives
- Need Assessment/Base line Survey
- Implementation schedules
- Defined fund disbursement schedules
- Responsibilities and authorities
- Major results expected and measurable outcome

As per the CSR Policy of the Company, the CSR Projects are undertaken based on the annual action plan formulated and recommended by the CSR Committee and approved by the Board. The implementing partners report, on a periodic basis, the progress of the project activities, the utilisation of funds disbursed and sustainability of the project. The CSR Committee reviews the progress of CSR initiatives undertaken on a regular basis.

2. Composition of the CSR Committee

CSR Committee composition as at 31st March 2023 and attendance at the CSR meetings held during FY2023:

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	% Attendance
Mr. Dhananjay Mungale	Chairperson, Independent Director	3	3	100%
Ms. Rama Bijapurkar	Member, Independent Director	3	3	100%
Mr. Ramesh Iyer	Member, Executive Director	3	3	100%

There was no change in the composition of the Corporate Social Responsibility Committee during the year.

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/discover-mahindra-finance/policies

CSR Projects - https://www.mahindrafinance.com/rise-for-good/key-csr-projects

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

The Company has been conducting internal impact assessments to monitor and evaluate its CSR projects/ programs. Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Companies CSR Policy Rules, 2014") mandates the companies to undertake Impact Assessment that have CSR projects with outlays of minimum ₹ 1 crore and which have been completed not less than 1 year before undertaking impact assessment.

Pursuant to sub-rule (3) of Rule 8 of the Companies CSR Policy Rules, 2014, impact assessment was required to be carried out for the following projects:

CSR Projects	Amount Spent (in ₹)	Project Period
COVID 19 Relief Project	1,03,70,000	June 2021 to September 2021
Swabhimaan	10,56,98,474	April 2021 to March 2022
Mahindra Pride School	9,00,00,000	April 2021 to March 2022
Nanhi Kali	2,76,00,000	April 2021 to March 2022
Women Economic Empowerment	4,71,00,000	October 2021 to March 2022

The Company has engaged independent agencies to carry out the impact assessment for the aforesaid projects. Of the abovementioned projects, impact assessment has been completed for COVID-19 relief project and Swabhimaan.

As per MCA General Circular No. 14/2021 dated 25th August 2021 on FAQs on CSR, it is clarified that web-link to access the complete impact assessment reports and providing executive summary of the impact assessment reports in the annual report on CSR, shall be considered as sufficient compliance of Rule 8(3) (b) of the Companies CSR Policy Rules, 2014.

Accordingly, the Executive Summary for Impact Assessment Reports of COVID-19 relief project and Swabhimaan, is annexed to this Annexure and the complete Impact Assessment Reports of the applicable projects can be accessed at the Web-link: https://www.mahindrafinance.com/rise-for-good/csr-reports

The impact assessment for the remaining projects viz. Mahindra Pride School Classrooms, Nanhi Kali and Women economic empowerment is in process and the complete report including findings for the said projects will be published on the website of the Company once the assessment exercise is completed.

5.

(a) Average net profit of the company as per Sub-section (5) of Section 135

₹ 1856,68,22,932 (Average of FY2022, FY2021, FY2020)

(b) Two percent of average net profit of the company as per Sub-section (5) of Section 135

₹ 37,13,36,459

(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)]:

₹ 37,13,36,459

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects):

₹ 36,45,43,133

(b) Amount spent in Administrative Overheads:

₹ 63,58,314

(c) Amount spent on Impact Assessment, if applicable:

₹ 12,52,831

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:

₹ 37,21,54,278

(e) CSR amount spent or unspent for the Financial Year (FY2023):

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 Section135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
37,21,54,278	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Sub-section(5) of Section135	37,13,36,459
(ii)	Total amount spent for the Financial Year (FY2023)	37,21,54,278
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	8,17,819
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for setoff in succeeding Financial Years [(iii)-(iv)]	8,17,819

Note:
In addition to CSR Spend of ₹ 37,21,54,278, the Company has spent ₹ 2,09,940 which pertains, to the interest income earned by the implementation agencies on funds provided to them under CSR for FY2023 towards CSR activities and the same is not included in point (ii) and (iii) of the above table.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. 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	FY2021-2022	7,85,94,000	195	7,85,93,805	Nil	Nil	195	Nil

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: 12

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. 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-yyyy)	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner*		
					CSR Registration number, if applicable	Name	Registered address
1.	Ambulance- Helping Hand Social Foundation, Building No. E-1, Flat No 1103, 11T, Nirman Viva Society, Ambegaon Bk, Pune, MH	411046	18-10-2022	9,14,616	CSR00036246	Helping Hand Social Foundation	Helping Hand Social Foundation, Building No. E-1, Flat No 1103, 11T, Nirman Viva Society, Ambegaon Bk, Pune, MH- 411046
2.	Ambulance- Swami Bhajnanand Trust, Swami Hariharanand Saraswati, Shree Akraekrasanand Ashram, Punjabi Colony Mainpuri UP	205001	18-10-2022	9,18,265	CSR00013795	Swami Bhajnanand Trust	Swami Hariharanand Saraswati, Shree Akraekrasanand Ashram, Punjabi Colony Mainpuri UP, 205001
3.	Ambulance- Ramakrishna Mission Road, Ulubari, Guwahati, Kamrup (M)	781007	17-10-2022	9,22,652	CSR00006101	Ramakrishna Mission	Ramakrishna Mission Road, Ulubari, Guwahati, Kamrup (M) – 781007
4.	Ambulance- Kashmir Athrout, Nawakadal, Srinagar, JK	190003	20-10-2022	9,26,478	CSR00038015	Kashmir Athrout	Kashmir Athrout, Nawakadal, Srinagar, JK - 190003
5.	Ambulance- Prakash Shikshan Mandal, Urun, Islampur, Sangli, Mh	415409	22-12-2022	9,14,616	CSR00038117	Prakash Shikshan Mandal	Prakash Shikshan Mandal, Urun, Islampur, Sangli, Mh 415409
6.	Ambulance- Riya Kalyan Aum Shiksha Samiti, Pathadhana, Chandangaon, Ward No. 38, Chhindwara (M.P.)	480001	26-12-2022	9,25,420	CSR00015655	Riya Kalyan Aum Shiksha Samiti	Riya Kalyan Aum Shiksha Samiti, Pathadhana, Chandangaon, Ward No. 38, Chhindwara (M.P.) 480001
7.	Ambulance - Saathi Samaj Sevi Sanstha, Village-kumharpara, Post-Girola, Kondagaon	494226	22-12-2022	9,25,367	CSR00011520	Saathi Samaj Sevi Sanstha	Saathi Samaj Sevi Sanstha, Village-kumharpara, Post-Girola, Kondagaon 494226
8.	Ambulance - Haiderpur Shelter of Malda, Maheshmati (West), Behind Bikram Club, P.S. Englishbazar, P.O. + Dist. Malda	732101	30-12-2022	9,23,483	CSR00044089	Haiderpur Shelter of Malda	Haiderpur Shelter of Malda, Maheshmati (West), Behind Bikram Club, P.S. Englishbazar, P.O. + Dist. Malda, Pin-732101 (W.B)
9.	Ambulance- Guru Sri Gorachcha Nath Chikatsalya , Shri Gorakhnath Mandir, Gorakhnath, Gorakhpur	273015	26-12-2022	9,18,266	CSR00038975	Guru Sri Gorachcha Nath Chikitsalaya	Guru Sri Gorachcha Nath Chikatsalya, Shri Gorakhnath Mandir, Gorakhnath, Gorakhpur, UP - 273015
10.	Ambulance- Bharat Sevashram Sangha, Ranchi Branch, Tupudana, Devi Mandap Road, P.O. NIFFT-HATIA, RANCHI	834003	15-03-2023	9,53,533	CSR00000812	Bharat Sevashram Sangha	Ranchi Branch, Tupudana, Devi Mandap Road, P.O. NIFFT-HATIA, RANCHI, PIN : 834003
11.	Ambulance Swami Vivekananda Medical Mission (Attappady), Durga Sangh Mandir, Agali P.O. Agali, Kl10	678581	18-10-2022	9,24,941	CSR00002488	Swami Vivekananda Medical Mission	Swami Vivekananda Medical Mission (Attappady), Durga Sangh Mandir, Agali PO, Agali, Kl10, Kl, 678581

Sl. 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-yyyy)	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/beneficiary of the registered owner*		
					CSR Registration number, if applicable	Name	Registered address
12.	Ambulance- Abhaya Kshethram Charitable Trust, Bismilla, Near Railway Gate, Renigunta, Andhra Pradesh	517520	18-10-2022	9,20,570	CSR00003911	Abhaya Kshethram Charitable Trust	Abhaya Kshethram Charitable Trust, Bismilla, Near Railway Gate, Renigunta, Andhra Pradesh-517520
TOTAL				**1,10,88,207**			

* The above acquired capital assets are held either by a company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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) :

Not Applicable for FY2023

Dhananjay Mungale
Chairman- CSR Committee
DIN:00007563

Ramesh Iyer
Vice-Chairman & Managing Director
DIN:00220759

Place: Mumbai
Date: 28th April 2023

Executive Summary of Impact Assessment Reports

A brief outline of Projects for which Impact Assessment was carried out and the executive summary of the Impact Assessment Reports are given below:

1. COVID-19 Relief - Distribution of medical beds and supplies:

To fight the COVID 19 pandemic, MMFSL as a part of their CSR initiative implemented Covid 19 Relief project, distributed supplies to various government hospitals, medical centres, medical colleges and covid care centers.

The project was implemented through a non-profit implementation partner (IP), People to People Health India Foundation (PPHF).

Objective of the project: To enable the hospitals to be in preparedness for combating the COVID 19 Pandemic by providing equipment and consumables.

Project period: June 2021 to September 2021

Total outlay: ₹ 1.03 crores.

Impact Assessment Agency: Think Through Consultancy (TTC)

Key Findings:

- 150 beds with linen, PPE kits and cleaning and hygiene kits were provided to 3 Covid Care Centers viz Christ Hospital in Chandrapur, Maharashtra; Guwahati Medical College in Guwahati, Assam and Sadar Hospital in Chaibasa, Jharkhand.
- PPE kits and cleaning and hygiene kits helped the centers/ hospitals prepare for covid pandemic.
- Hospitals could maintain covid protocols effectively without compromising their own health as well as that of patients.
- Beds enabled hospitals to accommodate more Covid 19 patients.
- The other equipment donated by Mahindra Finance were vital and helped the hospitals to render quality health care.
- Despite travel restrictions between states, the IP was successfully able to coordinate and distribute the resources to the target location within the planned timeline.
- Implementation agency implemented the project as per the ToR documented in the MOU
- Medical equipment and beds are currently being used in other wards namely in emergency, pediatric wards and patient waiting areas.

2. Swabhimaan:

"SWABHIMAAN-a holistic driver development programme" is a flagship CSR initiative of Mahindra Finance. This is a multi-year ongoing programme.

Under this flagship initiative, MMFSL initiated 6 interventions in several states throughout India in partnership with regional implementing partners (IP).

i. Drivers Training for Freshers
ii. Road Safety Awareness Training for Drivers
iii. Financial Planning Training for Drivers
iv. Scholarship for Drivers' Children
v. Insurance for Drivers
vi. Auto Mechanic Training for women

Objective of the program: To address professional, financial, and familial level challenges faced by the driver community and their families.

Project Period: April 2021 to March 2022

Total Outlay spent: ₹ 10.57 crores.

Impact Assessment agency: Think through Consultancy

Key Findings:

i. Driver Training for Freshers:

- 76% of trained candidates studied upto Grade XII assuring right selection of beneficiaries
- 95% respondents were satisfied with the training session & on road practice
- All candidates received (NSQF) L4 level certification post-training
- 98% respondents had been able to gain jobs and equal% of respondents revealed that now their family looked up to them with pride and respect.
- 89% respondents have observed a steady increase in income

ii. Road Safety Training

- 95% respondents attended a training on road safety for the first time
- 100% of respondent found the training relevant and useful
- 79% of respondents suggested that the training has reduced the number of accidents
- 71% agree to have brought changes in their driving after the program
- 83% respondents acknowledged that they had learned important life skills
- Enhanced knowledge of basic vehicular maintenance, first aid, fatigue management, and the importance of taking breaks

iii. Financial Planning

- 87% drivers had studied upto Grade XII indicating right selection of beneficiaries
- 55% of drivers attended a training on financial planning for the first time
- 75% respondents felt more confident in their ability to handle finances post attending the training
- The respondents were able to understand about digital frauds like risks associated with giving out personal information and how to avoid such situations
- 100% respondents reported a habit of savings post training

iv. Scholarship for Drivers' Children

- The scholarship was distributed among 3200 students belonging to standard 1st till post graduation selected from 4,017 applicants
- 100% respondents revealed that the verification process was done in a transparent manner leaving no space for mishandling the documents and the amount.
- Scholarship project enabled drivers' children to continue their education in spite of hardships faced by the family, especially during pandemic phase
- The scholarship fund was used to pay for school/ tuition fees/ educational material
- The program has enabled parents to fulfil their aspirations of sending their children to private schools.

v. Insurance Awareness Campaign:

- According to the quantitative data, 75.61% of the respondents did not own any insurance policy prior to the insurance awareness campaign and only 51.22% of the respondents were aware of the benefits of the policy before the insurance awareness campaign.
- 100% of the respondents were satisfied with the insurance campaign.
- 100% of respondents were satisfied with the trainers' delivery of knowledge.

vi. Auto Mechanic Training for women:

- This programme focused on women, empowering them by teaching skill sets to make them financially independent. The main objective was to provide them with skills to increase their employability.
- 60% of the respondents were mostly 12th pass (60%) and very few (2.5%) were 10th pass and (2.5%) were post graduate.
- 80% of the women were unemployed. Very few (2%) were working in companies and a few (5%) worked in automotive companies.
- NSDC curriculum was followed and was completed within the stipulated 200 hours

Overall findings of Swabhimaan:

- Swabhimaan program as a whole is helping drive self-respect to the largely ignored driver community
- Enough signs that interventions are showing positive outcomes as desired.

Annexure III

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended 31st March 2023

[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 - 400 001

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 called 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 authorised 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, 2022 to March 31, 2023 (hereinafter called 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 the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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 External Commercial Borrowings and Overseas Direct Investments **(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) Regulations, 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 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.

(iv) Master Direction-Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

(v) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines.

(vi) Master Circular-Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

(vii) Scale Based Regulation for Non-Banking Financial Companies

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 (except few meetings were convened at a shorter notice for which necessary approvals were obtained as per the applicable provisions), 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 were 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 the Company has:

1) Received order dated 22nd September 2022 from Reserve Bank of India ("RBI") directing the Company to immediately cease carrying out of any recovery or repossession activity through outsourcing arrangements, till further orders. The said prohibition was lifted by RBI effective 4th January 2023, basis the submissions made by the Company and its commitment to strengthen its recovery practices/outsourcing arrangements and tighten the process of onboarding third party agents and strengthen accountability framework as per the Board approved action plan.

2) Issued and allotted 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	34,320	10,00,000
2	Secured, Rated, Listed, Redeemable Non-convertible Debentures	2,53,500	1,00,000
3	Secured, Rated, Listed, Redeemable Non-convertible Debentures - Partly Paid up	2,25,000	1,00,000
4	Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures.	4,995	10,00,000
5	Senior, Secured, Redeemable, Rated, Listed, Principal Protected Non-Convertible Market Linked Debentures	11,650	1,00,000
6	Unsecured, Rated, Listed, Redeemable Non-convertible Subordinated (Tier II) Debentures.	380	1,00,00,000
7	Zero Coupon, Secured, Rated, Listed, Non-convertible Debentures.	3,917	10,00,000

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533E000218350

Place: Mumbai
Date: 28th April 2023

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 -400 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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: F005533E000218350

Place: Mumbai
Date: 28th April 2023

Annexure IV

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 FY2023 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2023 is as under:

Name of Director/ KMP	Designation	Remuneration of Director/ KMP for financial year 2022-23 (₹ in crores) (Excluding perquisite value of ESOPs exercised)	Remuneration of Director/ KMP for financial year 2022-23 (₹ in crores) (Including perquisite value of ESOPs exercised)	% Increase/ (Decrease) in Remuneration in the financial year 2022-23 (Excluding perquisite value of ESOPs exercised)	% Increase/ (Decrease) in Remuneration in the financial year 2022-23 (Including perquisite value of ESOPs exercised)	Ratio of the remuneration of each Director to median remuneration (Including perquisite value of ESOPs exercised) of employees for the FY2023
Dr. Anish Shah*	Non-Executive Chairman	NIL	NIL	NIL	N.A.	N.A.
Mr. Dhananjay Mungale	Independent Director	0.51	0.51	8.51	8.51	10.30
Mr. C. B. Bhave	Independent Director	0.50	0.50	8.70	8.70	10.10
Ms. Rama Bijapurkar	Independent Director	0.46	0.46	9.52	9.52	9.29
Mr. Milind Sarwate@	Independent Director	0.54	0.54	14.89	14.89	10.91
Dr. Rebecca Nugent@	Independent Director	0.43	0.43	13.16	13.16	8.69
Mr. Amit Kumar Sinha#	Non-Executive Director	NIL	NIL	N.A.	N.A.	0.00
Mr. Siddhartha Mohanty^	Non-Executive Director	0.34	0.34	N.A.	N.A.	6.87
Mr. Diwakar Gupta##	Independent Director	0.11	0.11	N.A.	N.A.	2.22
Mr. Ramesh Iyer**	Vice-Chairman & Managing Director	7.16	7.16	17.76	(4.91)	144.65
Mr. Amit Raje^^	Whole-time Director	4.09	8.44	N.A.	N.A.	170.51
Mr. Vivek Karve	Chief Financial Officer	3.22	3.22	37.02	37.02	N.A.
Ms. Brijbala Batwal@@	Company Secretary	0.78	0.91	N.A.	N.A.	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 FY2022 and FY2023.
3. *Dr. Anish Shah, Non-Executive Chairman, being in the whole-time employment of Mahindra & Mahindra Limited ("M&M"), the Holding Company, does not receive any remuneration from the Company.
4. @The percentage increase in the remuneration of Mr. Milind Sarwate and Dr. Rebecca Nugent for FY2023 is higher than the other Non-Executive Directors on account of sitting fees paid to them towards Committee meetings, of which they are members and whose frequency has been higher as compared to previous year.
5. #Mr. Amit Kumar Sinha, Non-Executive Director, being in the whole-time employment of Mahindra & Mahindra Limited (M&M), the Holding Company does not receive any remuneration from the Company. Further, he was appointed as Non-Executive Non-Independent Director of the Company w.e.f. 23rd April 2021 and will cease as a Director effective close of 33rd Annual General Meeting scheduled to be held on 28th July 2023.
6. ^Sitting Fees and Commission is paid to Life Insurance Corporation of India.
7. ##Mr. Diwakar Gupta was appointed as an Independent Director w.e.f. 1st January 2023, hence percentage increase in remuneration is not reported.
8. **During FY2023, Mr. Ramesh Iyer has not exercised any ESOPs granted to him. In addition to the above remuneration, Mr. Ramesh Iyer has received an amount of ₹ 89.23 lakhs during FY2023 upon settlement of 4th vesting of the employee's phantom stock options granted by Mahindra Insurance Brokers Limited, subsidiary of the Company. Mr. Iyer is entitled to an aggregate incentive of ₹ 31.96 Lakhs, to be paid in FY2024 and FY2025.
9. ^^Mr. Amit Raje ceased to be a Whole-time Director ("WTD") and Key Managerial Personnel w.e.f. 28th July 2022. Mr. Raje ceased to be in employment of the Company w.e.f 30th November 2022. Since he was associated for part of FY2023 percentage increase in remuneration is not reported.

   Mr. Raje was earlier associated with the Holding Company viz. Mahindra & Mahindra ("M&M") as Executive Vice President - Partnerships & Alliances, wherein he was granted 97,783 ESOPs of M&M at an exercise price of ₹ 5/- per share. While he was paid remuneration from the Company during his stint with the Company as WTD, out of 43,458 ESOPs of M&M vested and exercisable by him, he exercised 34,028 ESOPs during FY2023. The unvested options on the date of his separation from the Company, have lapsed.

10. @@Appointed as Company Secretary of the Company w.e.f. 1st February 2022. Since Ms. Brijbala Batwal was associated for part of FY2022 percentage increase in remuneration is not reported.

    Ms. Brijbala Batwal was earlier associated with the Mahindra & Mahindra Limited ("M&M") wherein she was granted 5,295 ESOPs of M&M at an exercise price of ₹ 5/- per share. While she is paid remuneration from the Company, out of 4,236 vested ESOPs of M&M, she has exercised 1,059 ESOPs in FY2023.

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 FY2023 was ₹ 0.05 crores 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 43.89% in the median remuneration of employees, taking into consideration employees who were in employment for the whole of FY2022 and FY2023.

III. Number of permanent employees on the rolls of the Company:

There were 26,329 permanent employees on the rolls of the Company as on 31st March 2023.

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:

Average percentage increase made in the salaries of employees other than the managerial personnel in FY2023 was 27.48% whereas the increase in the managerial remuneration in FY2023 was 23.13%.

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 and such other factors as the Nomination and Remuneration Committee deemed fit were taken into consideration.

The increment given to each individual employee is based on the employees' 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 V

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 the FY2023 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 Light Emitting Diode ("LED") lights in new and existing branches:

- LED Lights have been installed at 1,137 branches replacing conventional lighting and the same has been monitored in terms of electrical consumption and expenses, leading to savings of 1,461 Megawatts. Your Company extensively monitors its energy consumption and Green House Gas ("GHG") emissions.
- Replacement of old air-conditioners with 5-star Bureau of Energy Efficiency ("BEE") rated machines across 223 branches 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 958 Megawatts.
- Replacement of conventional fans with Brushless Direct Current Motor ("BLDC") fans. During the year, 74 conventional fans were replaced with BLDC fans across different branches leading to saving of 2.9 Megawatts of electricity every year.

(b) Recycling of waste generation at various locations:

The Company has recycled more than 59.5 tonnes of E-waste through registered recyclers as per the E-waste Management and Handling Rules in FY2023.

During the year, the Company has sent 17,500 kg. of paper waste generated for responsible disposal and recycling. In return, the Company has received 53,218 Swachh Bharat Points which were redeemed in exchange for environmentally friendly product like 875 cloth bags from the vendor partner. The Company has also received 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 ₹ 1.71 crores. These projects include use of LED Lights, BLDC fans, use of 5 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 for improved business efficiency:-

- **Agent Institution for Bharat Bill Payment System Ecosystem:** By becoming an Agent Institution for Bharat Bill Payment System ("BBPS"), your Company has empowered its Mobile App Customers with a single platform via which they can access a variety of recharge and bill payment options.
- **WhatsApp Bot :** Your Company has also started integrating its WhatsApp BOT as a virtual assistant. Built in 2 languages, Bot enables customers to initiate conversations, apply for a vehicle loan, check their loan application status, along with a host of other services ensuring that customers can access the Company services on-the-go. Efforts are underway to make BOT available in more regional languages. Your Company has also revamped its WhatsApp UI, segregating the menu options into critical bucket list, making it more user friendly.
- **Used Car Digi Loans :** Your Company has launched a specialised end-to-end digital journey named 'Used Car Digi Loans' in association with Car&Bike (by Mahindra First Choice Wheels) and Rupyy (by CarDekho), the leading brands in the used car industry, which provides customised loan offers to the customers enabling them to take faster buying decisions. The integrated system seamlessly initiates loan application procedure with the Company thereby making the entire process quick and convenient for the customer. Used Car Digi loans has the capability of successfully disbursing loans within few hours with the help of specialised underwriting and processing teams, equipped with 15 state-of-the-art fintech tools. Partners will have a real-time visibility of the application status and sanctioned loan offer allowing them to delight their customers with swift vehicle delivery.
- **Digital Debt Collection services:** To make the payment convenient, faster and easier for the customers and also to make it available 24 X 7, your Company has provided online payment services to its customers via its own website and mobile application viz. Mahindra Finance Customer App. The Company also has tie-ups with different collection agencies, banks and other payment partners like Bharat Bill Payment System ("BBPS") for debt 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 thereby leading to an increase in digital collections. Further, your Company has also empowered its Field Agents to collect EMI digitally from the customers through QR Scan and Pay in B2B App. Customers who prefer self-service can promptly avail digital alternatives without any necessity to connect with the collection agent thus enhancing customer satisfaction and improvement in operational efficiency as the same number of employees would be able to service more accounts. Your Company's entire lending process is digitally enabled; by strengthening collection capabilities and embracing Digital debt collection services, your Company would be better prepared to address any delinquencies that might occur.
- **Customer Mobile Application (Customer App):** Customer App for lending and Fixed Deposit customers has seen a significant growth in users from 7.1 lakh registered user base in FY2022 to 8.7 lakh users in FY2023. Users are adopting digital channels including mobile app for availing various services. 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 loan restructuring, download sanction letter for loan restructuring in app, applying for life/health & two-wheeler insurance etc. The Customer App support process has been automated with call centre leading to faster resolution of customer issues and higher customer satisfaction.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- The digital collection from customers crossed ₹ 8,400 crores which is 40% more than the previous year. Digital collection has also led to cost optimisation by migrating the cash customers to digital mode. The payment collection through Mahindra Finance ("MF") App contributes to 16% (average) of the overall digital collection. The App has also made it easy for customers to access loan account and Fixed Deposit details and track their new loan application. Various customer servicing features available on App have resulted in saving time and money of the customers incurred in visiting branch offices of the Company.
- During FY2023, WhatsApp Bot users have increased to 3.5 lakh registered users, an increase of 250% vis-à-vis FY2022.
- Collection through BBPS crossed ₹ 630 crores, which is 79% of total digital collection for March 2023, registering a growth of 53% over previous year. Under repayment category your Company stood 1st as a biller in terms of transaction value and stood 7th as a biller in terms of transaction count for the month of February 2023.

(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 is as follows:

₹ in crores

Total Foreign Exchange Earnings and Outgo	For the Financial Year ended 31st March 2023	For the Financial Year ended 31st March 2022
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	34.2	65.5*

* Includes equity investment of ₹ 34 crores in Mahindra Ideal Finance Limited during FY2022.

For and on behalf of the Board

Dr. Anish Shah
Chairman
DIN: 02719429

Place: Mumbai
Date: 28th April 2023

Annexure VI

Policies

Your Company is committed to adhere to the highest possible 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 RBI Master Directions, Guidelines and Circulars issued from time to time. The policies as mentioned below are available on the Company's website and can be accessed in the Corporate Governance section at the web-link: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#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 FY2023 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 issued by the Reserve Bank of India.	No change was made to the Policy during the year.
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.	No change was made to the Policy during the year.
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 underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost.	The Board adopted the policy during the year in compliance with RBI notification.
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.	No change was made to the Policy during the year.
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.	Consequent to the changes in Key Managerial Personnel of the Company, the Policy was amended to update the members forming part of the Disclosure Committee.
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.	No change was made to the Policy during the year.
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.	No change was made to the Policy during the year.
8	Policy on remuneration for Key Managerial Personnel, Senior Management Personnel and other Employees	This Policy sets out the approach of the Company towards the Compensation of Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.	Policy was revamped to align with RBI Guidelines dated 29th April 2022 including introducing clawback/malus clause in the Policy.

Sr. No.	Name of the Policy	Brief Description/Objective	Summary of the key changes made to the Policies during FY2023 and up to the date of this Report
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, adopted a similar policy for its male employees also.	No change was made to the said policies during the year.
10	Internal Guidelines on Corporate Governance	The Internal Guidelines on Corporate Governance (IGC) have been formulated to comply with the Reserve Bank of India (RBI) Master Directions dated 1st September 2016.	IGC was amended to include amendments made by the Board to the terms of reference of Audit Committee pursuant to amendment in SEBI Listing Regulations and amendment in terms of reference of Stakeholders' Relationship Committee.
11	Fair Practices Code	This Code has been devised in accordance with the Reserve Bank of India guidelines on Fair Practices Code to be adopted by Non-Banking Financial Companies while doing lending business.	FPC was amended to inter-alia, align with regulatory requirements.
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.	No change was made to the Codes during the year.
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 the Reserve Bank of India guidelines on declaration of dividend as applicable to the Company.
14	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	This 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".	No change was made to the Policy during the year.
15	Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management	This 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.	The said Policy was amended for strengthening the disclosures on Corporate Governance, including policies on Board membership criteria, Board Diversity Policy, Policy on criteria for determining independence of Directors, updating statutory amendments and updation with regards to Succession Planning.
16	Policy for Remuneration of Directors	This Policy sets out the approach of the Company towards the Compensation of Directors of the Company.	No change was made to the Policy during the year.
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.	The Policy was amended to inter-alia, align the same with the regulatory provisions.
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.	No change was made to the Policy during the year.
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").	BRSR was adopted by the Board in FY2023 to align with NGRBC replacing the earlier Business Responsibility Report Policy.
20	Policy for preservation of documents	The Policy was framed with regard to the preservation of documents in physical and electronic mode.	No change was made to the Policy during the year.

In addition to above policies, your Company has inter-alia, adopted Policies in compliance with Reserve Bank of India ("RBI") Scale Based Regulations, Master Directions, Guidelines, notifications /circulars issued by from time to time . The Policies adopted by your Company during the year, include Policy for Internal Capital Adequacy Assessment Process ("ICAAP Policy"), Policy on Large Exposure Framework , Policy for adoption of enhanced regulatory framework and implementation plan for adhering to new set of regulations under Scale Based Regulations framework, Compliance Policy, Policy on Grant of Loans to Directors and Senior Officers etc.

Management Discussion and Analysis

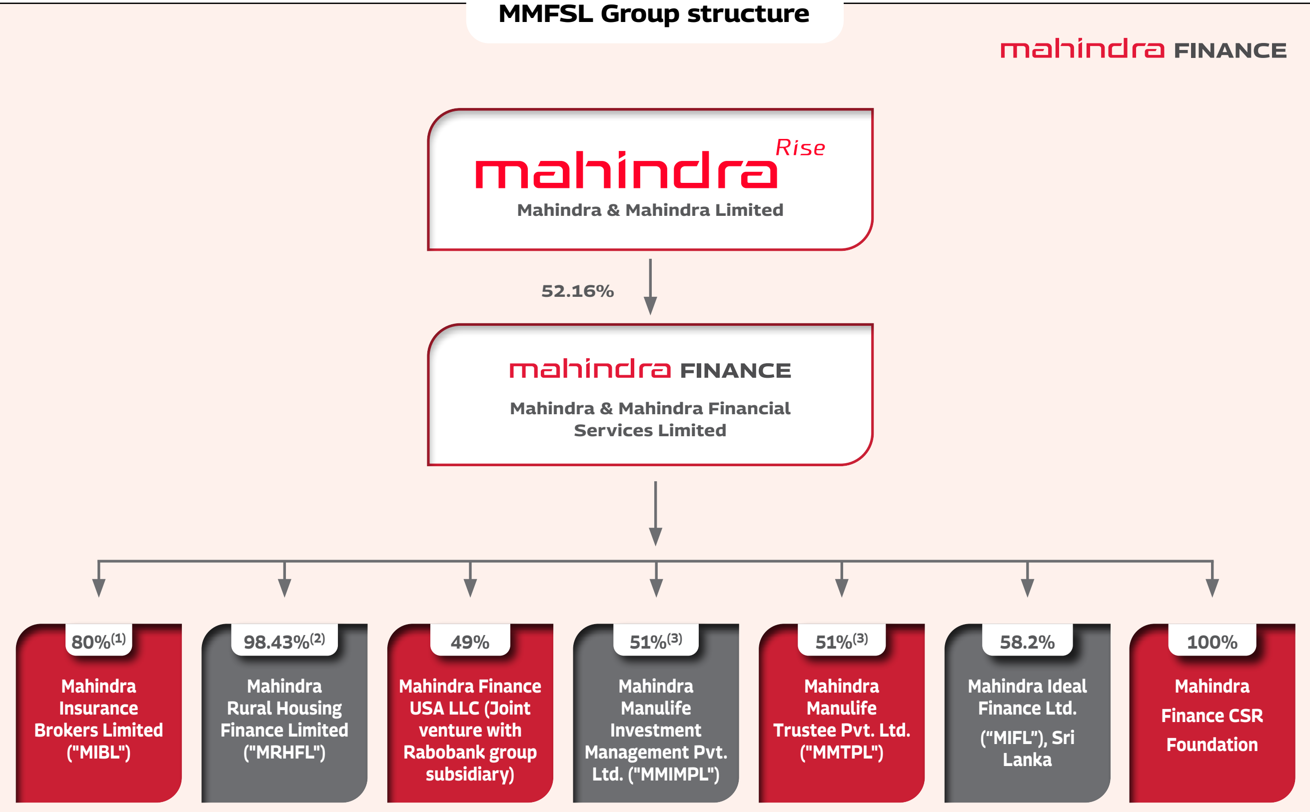
Mahindra & Mahindra Financial Services Limited – An overview

Mahindra & Mahindra Financial Services Limited (Mahindra Finance/MMFSL) is a subsidiary of the Mahindra Group (market capitalisation: ₹ 1.52 trillion as of 27th April 2023), one of India's leading business conglomerates.

MMFSL is a non-banking financial company (NBFC) that provides a range of financial products and services to individuals, rural customers, and MSMEs (micro, small, and medium enterprises) in India. Our Company's primary focus is on financing 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 SME lending, consumer financing and leasing, and our strategic emphasis is on the rural and semi-urban markets. We have had an opportunity to serve over 9 million customers since our inception, relying on our extensive network spread across 1,386 offices covering 27 states and seven union territories in India. Our 'AAA' credit rating is a sign of the inherent strength of our financial position and parentage.

MMFSL Group structure



Notes:

1. Balance 20% with Inclusion Resources Pvt. Ltd. (IRPL), a subsidiary of AXA XL Group. The Company, on 21st October 2022, has entered definitive documents to acquire a 20% equity stake in MIBL held by IRPL, subject to regulatory approvals. Subsequent to the acquisition, MIBL will become a wholly-owned subsidiary of the Company.
2. Balance 1.57% held by MRHFL Employee Welfare Trust and employees.
3. Manulife Investment Management (Singapore) Pte. Ltd. holds 49% of the shareholding of MMIMPL and MMTPL.

Economic review

Global economy

The global economy demonstrated growth driven by the resilience of labour markets, robust household consumption, business investment, and a better-than-expected response to the energy crisis in Europe. However, central banks globally were forced to raise interest rates abruptly to curb the persistently high inflation. The higher interest rate, and other global headwinds like the Russia-Ukraine conflict, and the resurgence of the COVID-19 situation in China had an impact on economic growth during the year.

Although many of these factors are still relevant, the recent re-opening of China brings some respite and could trigger a rapid rebound in activity.

Outlook

According to the International Monetary Fund (IMF), global growth is predicted to bottom out at 2.8% in 2023, and then grow to 3.0% in 2024. Along with improvement in growth rate, inflation is expected to moderate from 8.7% in 2022 to 7.0% in 2023, before reaching 4.9% in 2024. IMF identifies that inflation, though moderating, has mostly been sticky. The reduction reflects severe reversal in energy and food prices, but core inflation (excluding food and energy prices) may not have peaked yet.

In summary, global growth continues to be uncertain due to a multitude of economic and geopolitical factors. The sharp policy tightening over the last year has had some impact on the global financial sector and the ability of authorities to take swift action may be tested again.

Global growth forecast (%)

Particulars	2022	2023(F)	2024(F)
World	3.4%	2.8%	3.0%
Advanced Economies	2.7%	1.3%	1.4%
- United States	2.1%	1.6%	1.1%
- Euro Area	3.5%	0.8%	1.4%
Emerging Markets and Developing economies	4.0%	3.9%	4.2%
- China	3.0%	5.2%	4.5%
- India	6.8%	5.9%	6.3%

Source: International Monetary Fund (IMF), April 2023

Indian economy

After the COVID-19 pandemic, India was quick to get back on the pre-pandemic growth trajectory, surpassing the UK to become the fifth-largest economy in the world. As per the National Statistical Office, the Indian economy grew at 7.2% in FY2023, compared to 9.1% in FY2022. Although this is still a slowdown from the previous year due to the current global scenario, the economy remained resilient due to solid domestic demand and an uptick in private consumption.

The economy underwent a gamut of wide-ranging structural and governance reforms, including ECLGS extension, PMEGP extension, changes in the union budget, among others that strengthened its fundamentals and financial markets. Capex by the central government increased by 63.4% in the first eight months of FY2023 since the first quarter of FY2022, providing an impetus to the economy's growth.

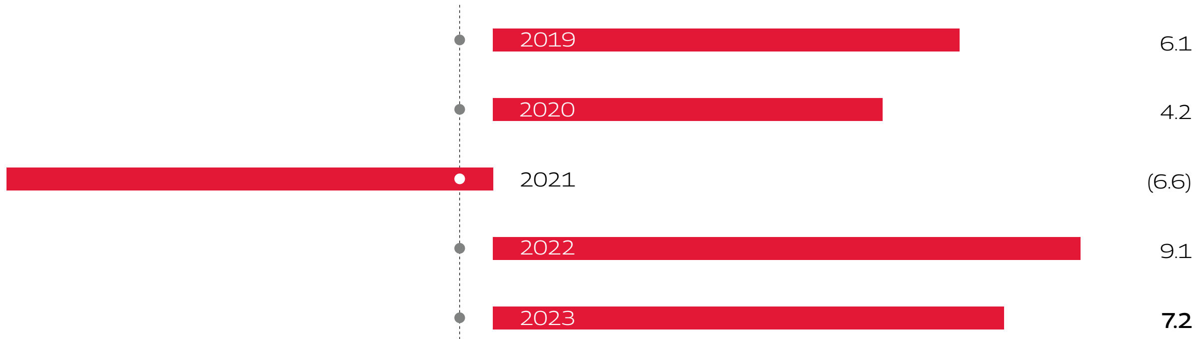
The rural economy is steady and improving progressively. The informal sector, disrupted due to the pandemic, is now seeing normalisation in the labour force. In Q3 FY2023, the agricultural sector displayed resilience and was supported by the pick up in rabi sowing (6.4% higher than a year ago), the progress of the north-east monsoon and above-average reservoir levels. The persistent efforts and spending by the government towards rural areas are expected to drive the upliftment of this sector.

The Consumer Price Index fell from 6.44% in February 2023 to 5.66% in March 2023. Despite the moderation in the last month of the fiscal year, Indian consumers faced an average inflation of 6.6% through FY2023. In response to this, the RBI took measures by hiking the rates cumulatively by 250 basis points to 6.50% since the beginning of the rate hike cycle in May 2022. Inflation is poised to decline.

Outlook

The enduring factors that fuel the long-term growth of the economy are still intact, with a sizeable and rapidly expanding middle-class leading the way in consumer spending. India's domestic consumer market is experiencing rapid growth, alongside its significant industrial sector, establishing itself as an attractive investment hub for MNCs operating in manufacturing, infrastructure, and services. Moreover, India is also emerging to be a global hub for startups, attracting substantial foreign investments due to its youthful population which includes a large GenX demographic, and its technological advancements.

GDP trends in India (%)



Source: Ministry of Statistics and Programme Implementation (MOSPI)

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, and reforms by the government.

Growth drivers

- **Financial inclusion**

  India's financial inclusion index-an indicator of how well the financial services have been extended to the unbanked population stood at 56.4 in March 2022, compared to 53.9 in March 2021. In June 2023, RBI also launched financial inclusion dashboard named as Antardrishti, a platform that will provide insights to assess and monitor the progress of financial inclusion. The national strategy for financial inclusion focuses on expanding the reach of financial literacy centres to every block in the country by March 2024. As many as 25,000 post offices are set to be rolled out with core banking solutions, increasing the accounts' interoperability. Moreover, the Union Budget 2023 announced a focus on onboarding small businesses to digital financial services, further driving financial inclusion.

- **Fintech**

  With the highest adoption rate of 87%, India is one of the fastest-growing fintech markets globally. Massive investments, innovation, growing internet penetration, and the adoption of the Unified Payments Interface (UPI) have contributed to the sector's growth. According to RBI, Central Bank Digital Currencies (CBDCs) offer significant opportunities for fintech companies to create innovative solutions that can be accessible by those without internet access.

- **Technology/digitalisation**

  The digital revolution in the banking, fintech and payment systems is creating credit demand for banks and NBFCs. Moreover, new business models in this sector are now driven by advanced technologies such as artificial intelligence and machine learning, allowing entities to handle massive data and evaluate real-time trends.

- **Financialisation of savings**

  The number of folios under equity, hybrid, index and solution-oriented schemes, wherein the maximum investment is from the retail segment, stood at about 11.5 crores as of 31st March 2023. 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 lakhs crores by FY2027 from ₹ 135 lakhs crores in FY2022.

- **Growing penetration of financial products**

  India already has the second-highest number of smartphone users globally and has the second-largest internet user market. With the number of mobile and internet users on the rise, these products are now more accessible and convenient to customers, propelling industry growth.

- **Rising income**

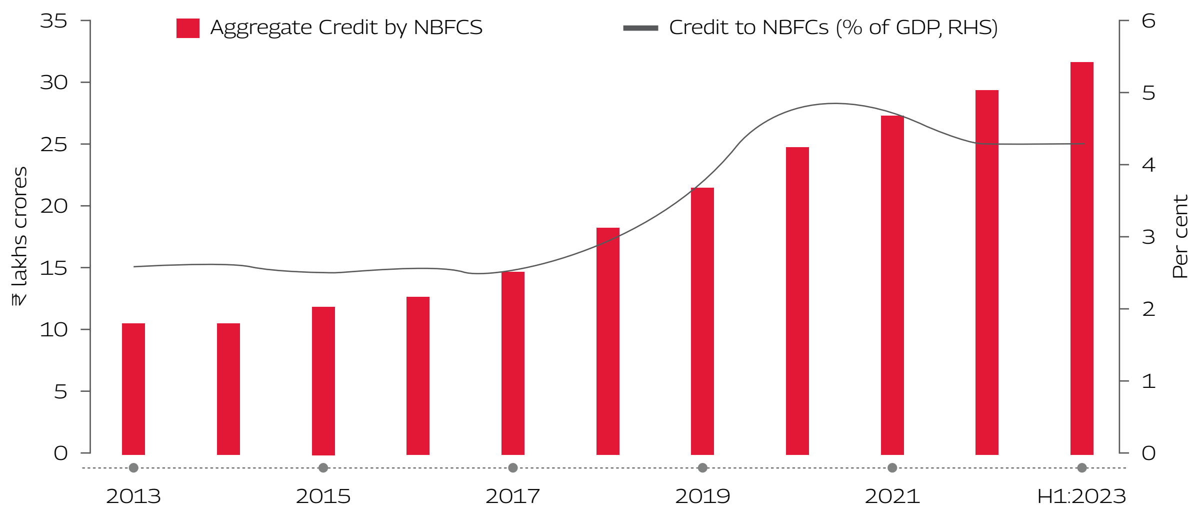
  Rising incomes drive demand for financial services across all income brackets in India, including insurance and retail banking services. According to a forecast of high-net-worth individual (HNI) growth figures published in the latest Henley Global Citizens Report, the number of dollar millionaires and billionaires in India will grow by 80% over the next 10 years, compared to just 20% in the US and 10% in France, Germany, Italy and the UK.

Non-banking financial companies

Overview

NBFCs have solidified their position as an integral part of the financial services system. They also complement the banking system in achieving the agenda of financial inclusion. There has been a consistent rise in the credit extended by NBFCs as a proportion of GDP, with the aggregate outstanding amount at ₹ 31.5 lakhs crores as of September 2022.

Credit disbursed to and by NBFCs



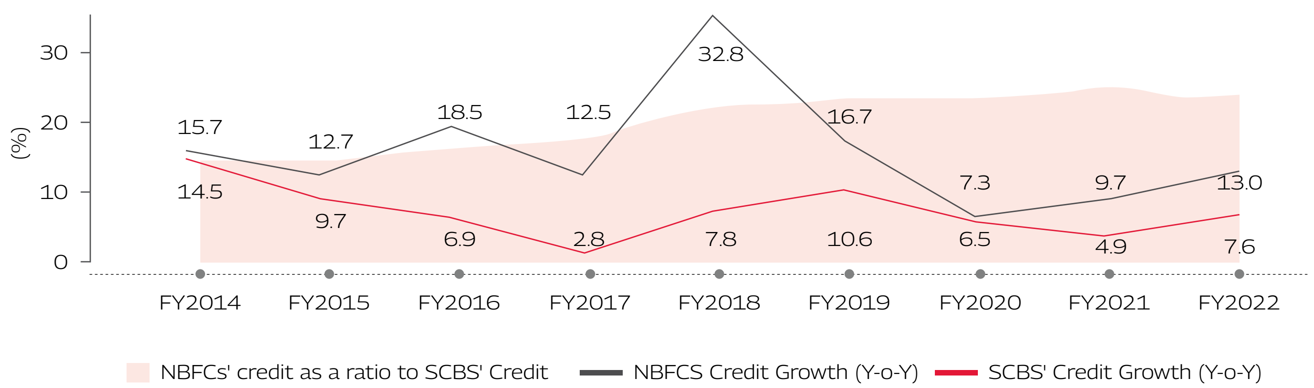
Notes:

Credit to NBFCs (% of GDP) for FY2023 (H1) is estimated based on NSO's 1st AE for FY2023 and credit by NBFCs as of September 2022.

GDP refers to GDP at Current Market Prices (Base: 2011-12).

Source: Reserve Bank of India (RBI)

NBFCs' credit to SCBs' credit ratio and their growth rates

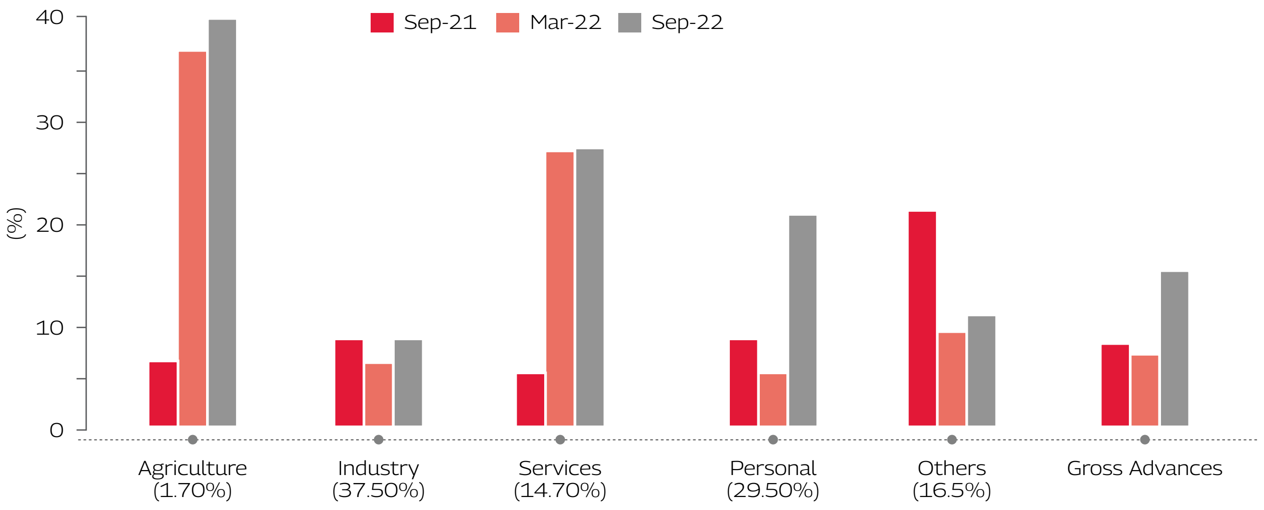


Sources:

1. Report on Trends and Progress of Banking in India, various issues.
2. Handbook of Statistics on the Indian Economy, various issues

NBFCs' credit to industry registered a growth rate of 8.7% in January 2023, compared to 5.9% in January 2022, and credit to the services sector rose by 21.5% in January 2023 as against 5.7% a year ago; loans to retail increased by 21.8% y-o-y in January 2023, up from 6.9% in January 2022, while credit growth to agriculture and allied activities improved to 14.4% in January 2023 from 10.4% a year ago.

Growth in credit disbursement by NBFCs



Source: RBI

Note : Numbers in the bracket correspond to sector shares in outstanding loans in Sep-22

The Micro, Small and Medium Enterprise (MSME) sector is critical to the Indian economy. However, only 39% of formal sources of credit have reached MSMEs. This enormous credit gap experienced in this sector allows NBFCs to expand significantly and provide last-mile credit delivery with the help of technology to achieve better operational efficiency and risk management.

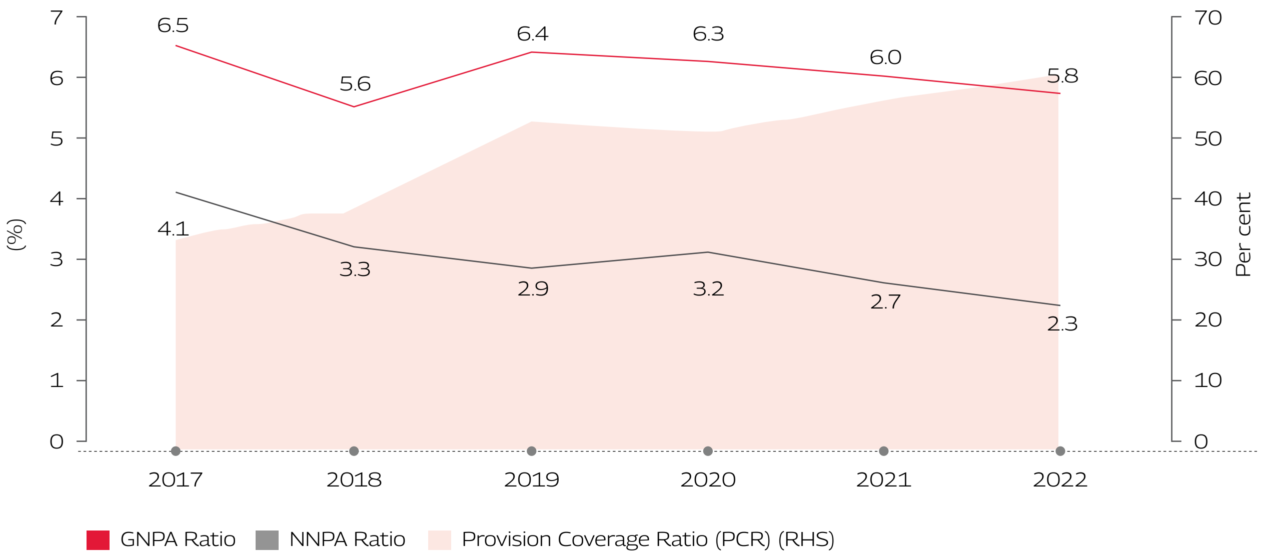
Overall, NBFCs will play a key role in supporting the socio-economic construct of the Indian economy as the opportunity for credit penetration remains high.

Performance in FY2023

After several upheavals caused by COVID-19, NBFCs have returned to normalcy. Disbursements by NBFCs (excluding Infra-NBFCs) were higher than pre-pandemic levels for three consecutive quarters of FY2023. Moreover, collection efficiency was healthy and is expected to stay robust due to improved economic activity and a favourable outlook for most sectors, assuming there are no material or global business-related disruptions.

GNPA, NNPA and PCR

(By end March)

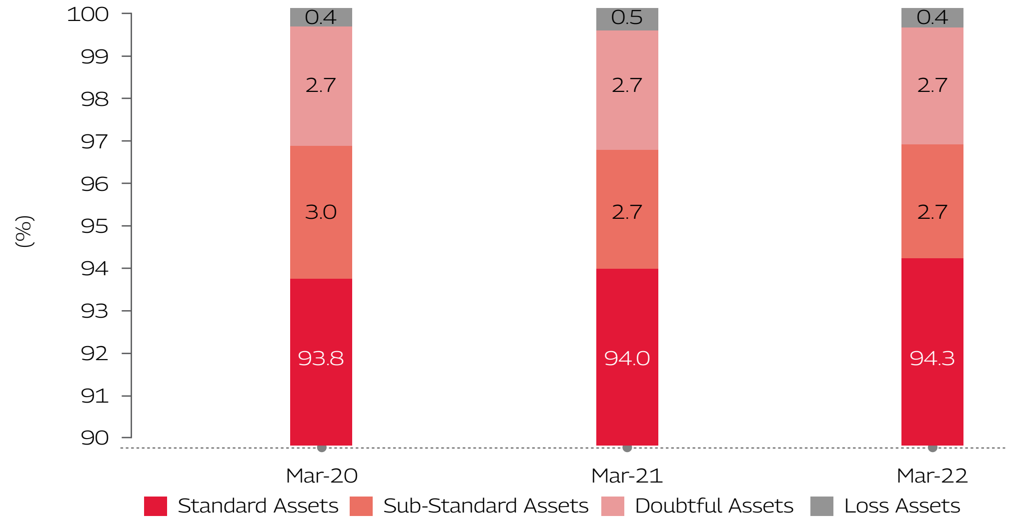


Notes: Data are provisional.

Source: Supervisory Returns, RBI

Classification of NBFCs' assets

(By end/-March)



Notes: Data are provisional.

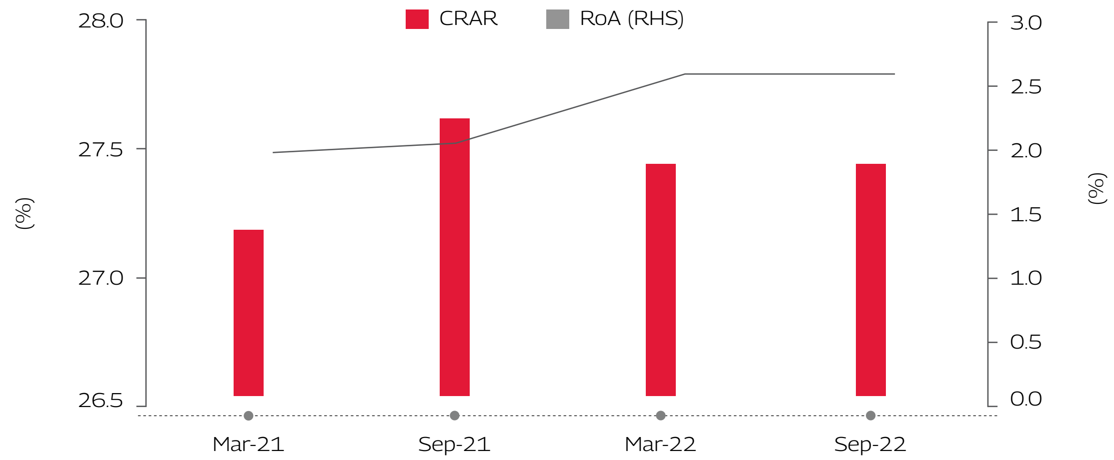
Source: Supervisory Returns, RBI

An ongoing improvement in overall health, particularly regarding asset quality and capital adequacy can also be seen. The continuous improvement in asset quality is mirrored in the declining GNPA (Gross Non-Performing Assets) ratio of NBFCs from a peak of 7.2% reached during the second wave of the pandemic in June 2021 to 5.9% in September 2022, which was close to the pre-pandemic level.

Financial position

In line with the decline in GNPAs, the capital position of NBFCs remained robust. The Capital to Risk (Weighted) Assets Ratio (CRAR) of 27.4% at the end of September 2022 fell only 20 basis points (bps) from March 2022 levels, partly due to the increase in risk-weighted assets (RWA) amidst higher lending activities. This remains well above the regulatory requirement of 15%.

Profitability and capital adequacy



Source: RBI

According to ICRA, the profitability of NBFCs improved in FY2023 as compared to the previous year, and this improvement is expected to be an interplay of higher growth in Assets Under Management (AUM), stable Net Interest Margins (NIMs) and lower credit costs. The Return on Assets (RoA) for NBFCs has also recovered over the past half-year period (ended September).

Key regulatory developments

The regulations are becoming stringent over time, resulting in a more robust and relevant business model. A few of the regulations guiding the sector are:

- **Prudential norms for Income Recognition, Asset Classification and Provisioning (IRACP) on advances**

  As per the new norms that came into effect in October 2022, an NBFC may upgrade an NPA to a 'standard' asset only if the borrower pays the entire arrears in the form of interest and principal. Additionally, there is a change in the recognition of NPAs to a daily due-date basis versus a month-end basis. These revised norms will bring parity in income recognition and asset classification practices at banks and NBFCs.

- **Scale-based regulation for NBFCs**

  Effective from October 2021, the RBI introduced scale-based regulation for NBFCs. Under the new framework, NBFCs - based on their size, activity, and perceived risks-were classified under four layers: Base Layer (BL), Middle Layer (ML), Upper Layer (UL), and a possible Top Layer (TL). The new framework will tighten regulatory oversight of the sector, with progressively tighter norms for the higher layers.

  NBFCs in the BL will be non-deposit-taking NBFCs, with assets worth up to ₹ 1,000 crores. These will be broadly subjected to extant regulations for non-deposit-taking NBFCs, except for changes in governance and prudential guidelines.

  NBFCs in the ML will include deposit-taking NBFCs irrespective of asset size, non-deposit-taking firms with assets worth ₹ 1,000 crores or more, and Housing Finance Companies (HFCs). These will be regulated on the lines of systemically important non-deposit-taking NBFCs, deposit-taking NBFCs, and HFCs, as the case may be, except for changes in capital, prudential and governance guidelines.

  NBFCs falling in the UL will include top-10 NBFCs as per size and NBFCs that warrant enhanced regulatory requirements based on certain parameters. These will be subject to regulations applicable to NBFCs in the ML, with additions such as the introduction of common equity Tier 1 and leverage requirements, mandatory listing and qualification of Board members. On 30th September 2022, RBI released the list wherein 16 NBFCs were categorised under UL.

  For NBFCs falling in the TL (ideally vacant), while no specific regulation has been provided, they will be subjected to higher capital charges and enhanced supervisory engagement.

- **The Prompt Corrective Action Framework**

  The PCA framework applies to all deposit-taking NBFCs (NBFCs-D) and all non-deposit-taking NBFCs (NBFCs-ND) in the Middle, Upper, and Top Layers identified under RBI's Scale-Based Regulations. This excludes NBFCs not accepting/not intending to accept public funds, government companies, primary dealers, and Housing Finance Companies (HFCs). The framework is structured as an early-intervention mechanism for lending institutions with weak financial records (lower profitability or poor asset quality). The said framework came into effect on 1st October 2022.

Outlook

After three years of single-digit growth, NBFCs are poised to witness an 11-12% growth in AUM by the end of FY2023, according to a CRISIL report.

Future growth is expected to be supported by the strong push towards digitisation, better 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 could enable NBFCs to drive credit demand and improved profitability.

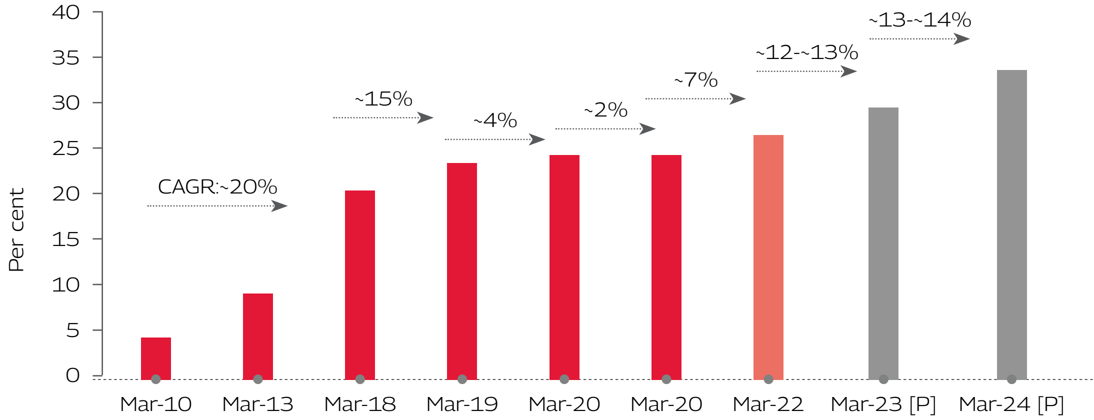
MMFSL Response

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 on 31st March 2023, GNPA (IRACP) was higher by approximately ₹ 1,184 crores in comparison to GS 3 Ind AS. This has remained rangebound during the year and no additional provisioning was required on account of IRACP.

In comparison to the IRACP requirement, our Company maintains an excess provision of ₹ 1,094 crores under Ind AS.

AUM growth of NBFCs (including HFCs)



Source: Company data, CRISIL ratings, November 2022

Automobile and vehicle financing

The automobile sector is a key driver of India's economic growth and contributes more than 7% to India's GDP. In 2022, India became the third-largest automobile market, surpassing Japan and Germany. Rising middle-class income and a burgeoning young population are some factors driving strong demand in this sector.

Even amidst uncertainties regarding the supply chain last year, production has been increasing every quarter with improvement in the availability of semiconductor chips and related components.

According to the Society of Indian Automobile Manufacturers (SIAM), the industry produced a total of 2,59,31,867 vehicles, including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles in FY2023, as against the 2,30,40,066 units in FY2022.

Compared to the previous year, passenger cars also saw an increase from 14,67,039 to 17,47,376, utility vehicles from 14,89,219 to 20,03,718, and vans from 1,13,265 to 1,39,020 units.

Overall commercial vehicle sales stood at 9,62,468 units. Sale of Medium and Heavy Commercial Vehicles increased from 2,40,577 to 3,59,003 units, and Light Commercial Vehicles increased from 4,75,989 to 6,03,465 units, in FY2023, compared to the previous year.

Domestic sale (in Nos.)

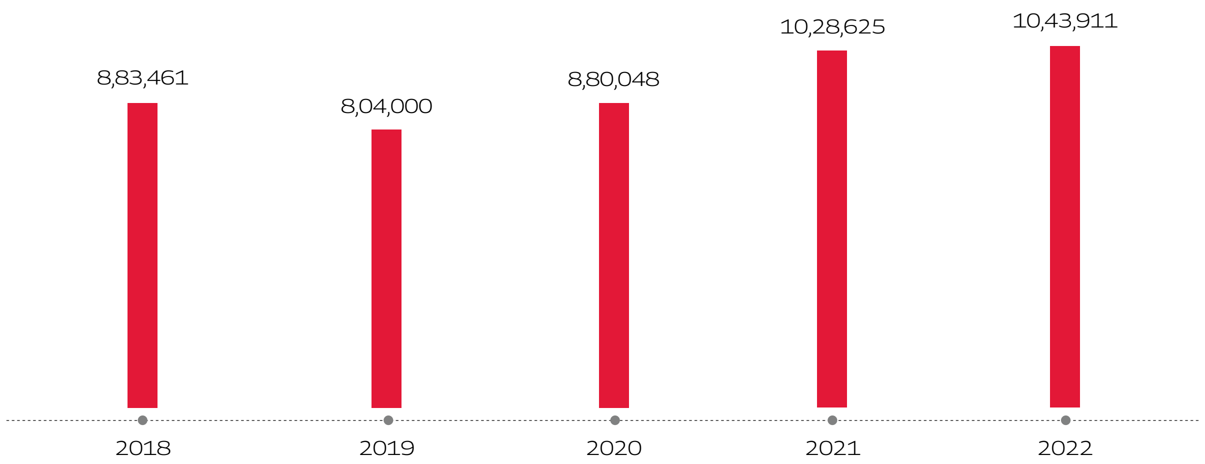
Category	2020-21	2021-22	2022-23
Passenger vehicles (PVs)	27,11,457	30,69,523	38,90,114
Commercial vehicles (CVs)	5,68,559	7,16,566	9,62,468
Three-wheelers (3W)	2,19,446	2,61,385	4,88,768
Two-wheelers (2W)	1,51,20,783	1,35,70,008	1,58,62,087
Quadricycles	(12)	124	725
Total	**1,86,20,233**	**1,76,17,606**	**2,12,04,162**

Source: Society of Indian Automobiles Manufacturers (SIAM)

With the transition to Electric Vehicles (EVs) gaining momentum, 2W/3W/PVs should see a rise in sales contribution from EVs in the next couple of years, with supply matching the growing demand. Incentives by central and various state governments have also led to the strong growth of EVs in the 2W segment. The domestic automotive industry witnessed a healthy revival in FY2023, aided by the recovery in economic activity and increased mobility. However, while the demand sentiment for PVs, CVs and tractors has remained healthy, the 2W industry is still facing several challenges, with overall volumes still below pre-COVID levels.

Rural India remains a key market for the auto sector and the Indian tractor industry has remained resilient and has seen consistent export growth.

Number of tractors sold (including exports)



Notes: The numbers are from January to December for each year.

Source: Tractor and Mechanization Association (TMA)

In the first eight months of FY2023, the industry exported 89,192 tractors compared to 85,281 units during the same period in FY2022. This growth is fuelled by a healthy monsoon season, improved farm cash flows across regions, better crop realisations and prices, and the government's focus on procurement. With improving consumer sentiment, the rural market is expected to remain buoyant and be able to sustain the solid sectoral tailwinds in auto finance.

Union Budget FY2024 highlights

The automotive sector is a significant contributor to India's GDP and employment. The Union Budget touched upon the following critical areas for the mobility sector:

Push towards EVs

The government has nearly doubled its budgetary allocation for the Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme to promote green mobility. As per the budget document, the subsidy under the FAME scheme for FY2024 is projected at ₹ 5,172 crores, which is 78% higher than the 2022 budget. Also, the EV sector will receive an extra push due to the custom 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.

Vehicle scrappage policy

Furthering the Vehicle Scrappage Policy of 2021, the central government has proposed additional spending on the scrapping of old government vehicles. States will also be given the support needed to discard old vehicles and old ambulances.

Push towards transport infrastructure projects and affordable housing

The significantly higher allocation of ₹ 10 lakhs crores towards capital investment and ₹ 79,000 crores towards affordable housing will push the demand for commercial vehicles. In addition, the ₹ 75,000 crores allocation towards improving the first and last-mile connectivity will benefit the LCV segment.

Outlook

According to CRISIL, the NBFC vehicle finance AUM is expected to clock growth of 13-14% in FY2024, compared to the estimated 12% growth in FY2023. The market growth is expected to be driven by robust pent-up demand and new launches in cars and utility vehicles. NBFCs will likely leverage their last-mile connectivity and deep entrenchment in micro markets to focus on used-vehicle financing.

Overall, India's vehicle financing sector remains highly dynamic and is a space where digitisation and partnerships allow industry players to gain an edge over their competition.

SME financing

India's 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 has been a key driver of credit offtake. Given the sector's significance for income and employment generation, RBI and the Central Government have initiated several measures to revive the sector. A few of the initiatives helping MSMEs are:

Digitised SME loans

In FY2023, RBI enabled the end-to-end digitisation of loans to MSMEs and the complete digitalisation of Kisan Credit Card (KCC)-based loans.

Emergency Credit Line Guarantee Scheme (ECLGS)

As of 30th November 2022, 1.2 crores MSME units availed of the ECLGS scheme. Collateral-free resources, aggregating ₹ 3.6 lakhs crores, were raised. Moreover, in the Union Budget, ₹ 9,000 crores have been allocated for revamped credit guarantee scheme for MSMEs, which will lower the cost of credit by 1%.

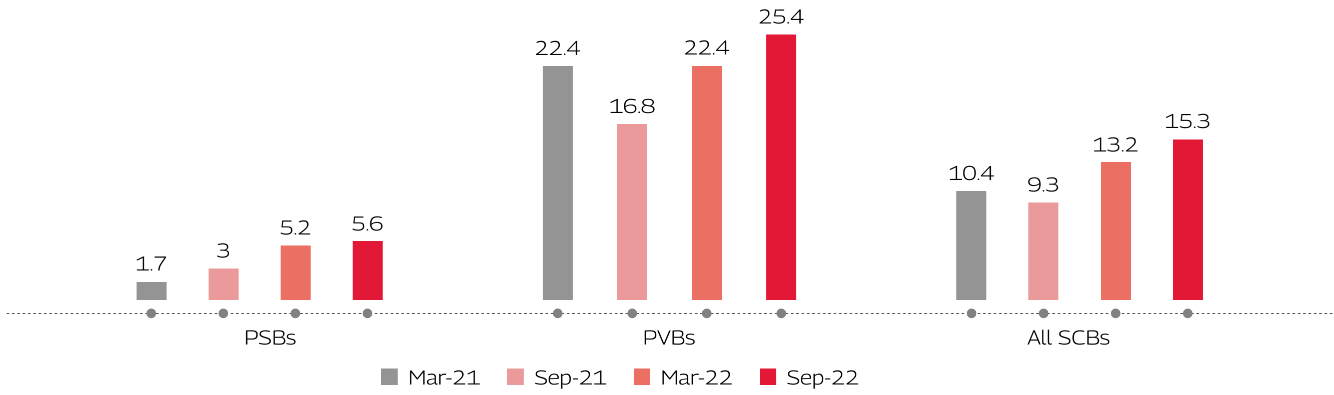
Lean Manufacturing Competitiveness for MSMEs

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 process flows, reduced engineering time and so on.

Performance in FY2023

The sector managed to sustain credit growth momentum in H1 FY2023, attributed to the recovery in domestic demand, continuing government initiatives, increased working capital requirements and favourable regulatory changes. Delinquencies towards MSME sector improved to 7.7% in September 2022 from 9.3% in March 2022.

MSME sector credit growth (%)



Notes: Due to the extension of the validity of old documents for MSME classification provided by the Ministry of MSME, the MSME credit outstanding figures as per regulatory returns for previous quarters have been revised.

Source: RBI supervisory returns and staff calculations.

Outlook

According to CRISIL, the MSME sector will experience reasonable credit growth of 16-18% during the current fiscal and FY2024. The government's emphasis on self-sufficiency through the 'Atmanirbhar Bharat' initiative, and the Productivity Linked Incentive (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 experiences ease of doing business digitally, the penetration of the internet and affinity towards online marketplaces in India.

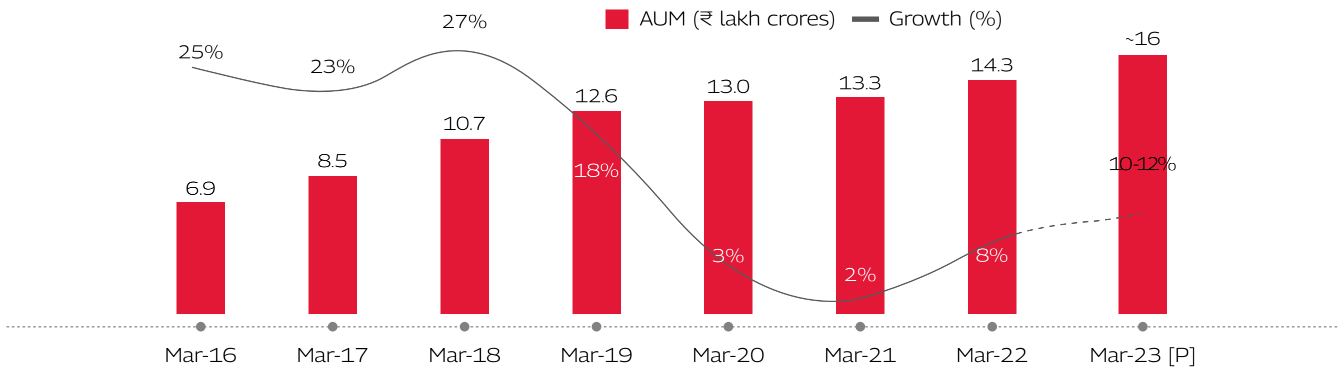
Housing Finance

Under the Pradhan Mantri Awas Yojana scheme for rural areas, 2.1 crores houses were completed by 6th January 2023, as per the Economic Survey 2022-23 Further, with the government developing and constructing infrastructure mega-projects such as highways, new airports and metros, the industry is seeing a stimulation in the quantitative and qualitative growth of real estate and housing finance. In the future, the under-penetrated market and digitally enabled services will propel the affordable housing finance industry.

Performance in FY2023

According to a CRISIL report, the AUM of housing finance companies (HFCs) is expected to grow 10-12% in FY2023, compared to 8% in the previous period, driven by 15% y-o-y growth in home loans, while growth in other segments remains muted. Notably, the affordable housing space is expected to grow at a faster pace of 18-20%. The release of pent-up demand was reflected in the housing market as demand for housing loans increased. Consequently, housing inventories have declined, as witnessed by a significant reduction in inventory overhang to 33 months in Q3 FY2023 from 42 months last year.

Growth in HFC AUM



Source: CRISIL ratings, September 2022

Outlook

Under the Union Budget FY2024, the government has proposed to enhance the PM Awas Yojana Fund by 66% to ₹ 79,000 crores, thereby giving the housing sector a boost. Accordingly, FY2024 will likely see robust sector growth due to rising income and favourable government initiatives. Despite rising interest rates and real estate prices, customer interest has remained strong, even as rates remain below earlier cycles. ICRA expects that the asset quality indicators of HFCs will not be significantly impacted by the rise in the interest rates as the nation's housing market remains in an upcycle.

Mutual funds

According to the Association of Mutual Funds in India (AMFI), the mutual fund industry's net AUM was ₹ 39.42 lakhs crores, while the average asset under management (AAUM) was ₹ 40.04 lakhs crores in March 2023, indicating investors' continued faith in the markets. Of the total AUM, retail AUM across equity, hybrid and solution-oriented schemes stood at ₹ 20.35 lakhs crores. In FY2023, equity-oriented mutual funds registered a net inflow of ₹ 2 lakhs crores, while SIP inflows continued to soar.

Outlook

AMFI expects the industry to grow by 16-17% in FY2023 as the India growth story holds a lot of promise. The growth is expected to be driven by differentiated perspectives on investing and retail participation from young investors.

Insurance industry

According to RBI's Economic Survey 2022-23, India is amongst the fastest-growing insurance markets globally. Digitisation and an increase in FDI limit are likely to drive increased long-term capital flow to the insurance sector in India.

According to the Insurance Regulatory and Development Authority of India (IRDAI), India's insurance penetration stood at 4.2% of the GDP in FY2022. In FY2023, first-year premium numbers grew by 17.9% vs. the 12.9% growth reported in FY2022. The FY2023 growth can be attributed primarily to group single premiums and a low base. Currently, private insurance companies continue to extend their lead in the individual non-single premium segment. The general insurance industry premium grew at a healthy pace of 16% in the reporting period. The total premium for the general insurance industry in the financial year stood at ₹ 2,56,920 crores compared to ₹ 2,20,800 crores a year ago. The standalone health insurance sector grew its premium by 26% to ₹ 26,242 crores in FY2023.

Outlook

The Indian insurance industry is likely to be in the top six insurance markets globally by 2032. The growth in the non-life insurance sector is expected to be driven by demand for health coverage, with people becoming more aware of health post-COVID-19, and the strong support received from government-sponsored mass health programmes such as 'Ayushman Bharat'. Moreover, IRDAI has committed to providing 'Insurance for All' by 2047, which would lead to a massive demand stimulation for the insurance industry in the coming years. With government initiatives, technological innovations and regulatory frameworks, the industry prospects appear robust.

Wealth advisory management

The wealth management market in India is on a sustained path of growth with the increase in high-net-worth individuals (HNIs) and ultra-high-net-worth individuals (UHNIs). India's wealth is expected to grow by 10% per year and reach $ 5.5 trillion by 2025, thereby presenting a massive opportunity. The wealth management industry is rapidly transforming due to advancements in technology, the increasing sophistication of investors and the emergence of innovative financial offerings.

Outlook

India is expected to have 6.11 lakhs HNIs by 2025, securing its position as the fourth-largest private wealth market globally by 2028.[2] The future seems promising for wealth management as it is driven by India's long-term economic prospects, favourable demographics, rising income levels and low penetration levels.

Business review

The business environment has sharply bounced back which was impacted due to the pandemic. At ₹ 49,541 crores, the disbursement was the highest ever, recording an increase of 80% over the previous year. The growth has been through 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 mass-affluent customer segments. New business verticals like SME lending (including Loan against Property), Leasing business, and Digital Finco for small ticket personal and consumer durable loans are also being scaled up. Business growth was complemented by a strong improvement in asset quality wherein Gross Stage 3 improved from 7.7% (as of Mar-22) to 4.5% (as of Mar-23). Similarly, Gross Stage 2 improved from 14.3% as of March 2022 to 6.0% as of March 2023.

We continue to hold the leadership position in the Tractor and Mahindra UV (utility vehicles) financing segments. Its market share has also seen improvement during this period across manufacturers. The company continues to partner with auto aggregators to generate leads in the pre-owned vehicle finance space.

Quiklyz, a car-leasing solution launched in FY2022, is actively strengthening its presence in the B2B segment and is expected to grow with the rising demand for EVs expected to boost the rental and leasing market.

We are now rated AAA across all credit rating agencies, and this is expected to gradually reflect in improvement in the borrowing rates and ability to access more investors.

During the year, the Company undertook a significant transformation projection ('Udaan') to enhance its technological and digital capabilities. This coupled with hiring new talent and motivating existing workforce through an improved incentivisation policy led to an increase in operating costs. The benefits were visible through sustained improvement momentum in disbursements, improving asset quality and robust collection efficiency. The Company continues to invest in talent retention and technology initiatives to further upgrade its capabilities to meet customer and employee expectations.

Financial Results

₹ in crores

Particulars	Consolidated		Standalone	
	FY2023	FY2022	FY2023	FY2022
Total Income	12,832.40	11,400.51	11,056.09	9,718.80
Less: Finance Costs	5,094.30	4,417.37	4,576.72	3,920.18
Expenditure	4,695.64	5,347.32	3,539.56	4,314.88
Depreciation, Amortisation, and Impairment	225.96	151.99	187.23	126.83
Total Expenses	10,015.90	9,916.68	8,303.51	8,361.89
Profit before exceptional items and taxes	2,816.50	1,483.83	2,752.58	1,356.91
Share of profit of Associates & Joint Ventures	43.32	45.02	-	-
Exceptional items	(56.06)	20.57	(54.51)	-
Profit Before Tax	**2,803.76**	**1,549.42**	**2,698.07**	**1,356.91**
Less: Provision for Tax				
Current Tax	498.15	411.38	486.28	348.16
Deferred Tax	234.41	(12.30)	227.47	20.00
Profit After Tax for the Year	**2,071.20**	**1,150.34**	**1,984.32**	**988.75**
Less: Profit for the year attributable to non-controlling interests	(1.20)	13.47		
Profit for the Year attributable to Owners of the Company	**2,072.40**	**1,136.87**	**1,984.32**	**988.75**
Balance of profit brought forward from earlier years	6,146.97	5,285.06	5,247.99	4,558.40
Add: Other Comprehensive Income /(Loss)	(13.35)	(3.20)	(12.92)	(2.32)
Balance available for appropriation	8,206.02	6,418.73	7,219.39	5,544.83
Less: Appropriations				
Dividend paid on Equity Shares	(443.87)	(98.57)	(444.79)	(98.84)
Transfer to Statutory Reserves	(402.86)	(223.61)	(398.00)	(198.00)
Add/Less: Other Adjustments:				
Gross obligation at fair value to acquire a non-controlling interest	59.41	54.40	-	-
Changes in Group's Interest	(1.35)	(3.98)	-	-
Balance carried forward to the balance sheet	**7,417.35**	**6,146.97**	**6,376.60**	**5,247.99**
Net worth	**18,560.09**	**16,896.31**	**17,088.91**	**15,628.09**

SCOT Analysis

Strengths

- Vast distribution network, especially in rural areas and small towns
- Long track record of operations with a strong position in the financing of tractors and UVs; market leader in tractor financing
- Diversified asset mix and well-diversified funding profile
- Vast knowledge of the needs of the customer segment we work with
- Diversified product range and robust collection systems
- Simplified and prompt loan request appraisal and disbursements
- Product innovation and superior delivery
- Parentage: Mahindra brand and fund-raising ability
- Strong financial position; comfortable capitalisation and liquidity profile
- High credit rating
- Long-lasting relationships across multiple OEMs
- Strong management team

Challenges

- Rising competition from banks
- Increasing cost of funding
- Retention of talent

Opportunities

- Recovery in economic activity
- Revival in rural consumption
- Digitalisation and data-driven decision making

Threats

- Future waves of the pandemic may negatively impact asset quality
- Uncertain global political environment
- Tightening regulations for NBFCs
- Impact on demand in the backdrop of sustained inflation

Business performance

Operational review

The key operational highlights on a standalone basis are:

- Total income was ₹ 11,056.09 crores in FY2023 compared to ₹ 9,718.80 crores in FY2022, an increase of 14%, primarily led by asset and disbursement growth.
- Disbursements for the FY2023 was at ₹ 49,541 crores, a growth of 80% over the previous year.
- Gross Loan Book rose to ₹ 82,770 crores in FY2023 from ₹ 64,961 crores in FY2022, an increase of 27.4%.
- Strong Capital Adequacy at 22.5%, D: E ratio of 4.39x and maintained Liquidity buffer equivalent to 3 months requirement.
- Maintained a healthy Provision Coverage Ratio (PCR) of 59.5% for Gross Stage 3 in March 2023.
- Customer base crossed 9.0 million customers.
- Employee base stood at 26,329 as on 31st March 2023.

Financial overview

The following table presents your Company's standalone abridged financials for FY2023, including revenues, expenses, and profits.

Abridged statement of profit and loss

₹ in crores

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022	Change (%)
Revenue from operations	10,928.80	9,657.97	13.2
Other Income	127.29	60.83	109.3
Total Revenue	**11,056.09**	**9,718.80**	**13.8**
Expenses			
(a) Employee benefits expenses	1,584.27	1,171.40	35.2
(b) Finance costs	4,576.72	3,920.18	16.7
(c) Depreciation, amortisation, and impairment	187.23	126.83	47.6
(d) Impairment on financial instruments	999.23	2,368.30	(57.8)
(e) Other expenses	956.06	775.18	23.3
Total Expenses	**8,303.51**	**8,361.89**	**(0.7)**
Profit before exceptional items and taxes	**2,752.58**	**1,356.91**	**102.9**
Exceptional items (net) - income / (expense)	(54.51)	-	-
Profit before tax	**2,698.07**	**1,356.91**	**98.8**
Tax expense	(713.75)	(368.16)	93.9
Profit for the year	**1,984.32**	**988.75**	**100.7**

Key Ratios

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
PBT/Total Income	24.4%	14.0%
PBT/Total Assets	2.8%	1.8%
RONW (Avg. Net Worth)	12.1%	6.5%
Debt/ Equity	4.39:1	3.57:1
Capital Adequacy	22.5%	27.8%
Tier I Capital	19.9%	24.3%
Tier II Capital	2.6%	3.5%
Book Value (in ₹)	138.3	126.5
NIM (Gross Spread)	7.6%	7.6%

Analysis of Profit & Loss

- Revenue from operations during FY2023 increased by 13% over the previous year. This was primarily due to the average loan book in FY2023 being higher than the previous year. Disbursements improved with each passing quarter resulting in the closing loan book being higher by 27% over the previous year.
- Net interest income grew by 11% over the previous year. During the current year, your Company's credit rating had been upgraded resulting in an 'AAA' rating across all credit rating agencies.
- NIMs for the current year at 7.6% was similar to previous year. The Company has enhanced the lending rate during the second half to price in the effect of an increase in borrowing cost.
- The cost-to-income ratio for the year increased during the year to 42.1% as compared to 35.8% in FY2022. This was owing to increased activity as the volume picked up post-pandemic. In addition, your Company has invested in new collection-related processes, upgrading its IT infrastructure, and bringing in new talent. Operating Expenses have increased 32% y-o-y in FY2023 due to continued investments in future growth-oriented areas. Your Company continues to use digital initiatives which shall result in cost optimisation over the medium term.
- The profit before tax for FY2023 was higher by around 99% at ₹ 2,698 crores as against ₹ 1,357 crores in FY2022. Your Company, however, continued to maintain a robust provision coverage of 59.5% in FY2023 vis-à-vis 58.1% in FY2022.
- Profit After Tax (PAT) for the year stood at ₹ 1,984 crores, up by around 101% compared to ₹ 989 crores in FY2022.
- Return on Equity (RoE) for the year stood at 12.1% against 6.5% in FY2022. Return on Assets (ROA) for the year stood at 2.3% compared to 1.3% for the previous year.

Risk management

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 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 which 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, trading, settlement and other financial transactions. Alternatively, losses result from a reduction in portfolio value arising from actual or perceived deterioration in credit quality.

Approach: The 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/exposures into a 'good' or a 'bad' category. For each proposal, the ratings are assigned and high-risk applications are recommended to the higher level of credit approvers.

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 Asset Liability Management Committee (ALMCO) oversee the implementation and ensure adherence to the risk tolerance/limits set as per the LRM framework. Further, to minimise any impact of any external shock, our Company maintains a liquidity buffer to the tune of covering the next three months' obligations, 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. 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 the interest rates. The LRM framework has defined a judicious borrowing mix that allows the company to manage interest costs. It also has 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 necessary realignments to lending and borrowing decisions to mitigate any interest rate risks.

Operational risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, and systems or external events, including legal and reputational risks.

Approach: The Operational Risk Management Policy has been designed and implemented to put in place the governance structure around the risk. A robust risk management approach defined under the policy helps in mitigating operational risks. This approach guides the requirement of defining roles and responsibilities, segregation of duties and delegation of powers. The new product/process approval framework has been designed and implemented to identify the risks in new products/processes and implement the risk mitigants.

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 earning linked to agri-output and its prices. Timely and spatial distribution of monsoon and other climatic factors plays an important role in earning and repayment capability of our customers. The volatile macroeconomic scenario and sector-specific imbalances can result in loan asset impairment.

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 finance, and leasing to deepen market penetration and de-risk the business from over-dependence on core, that is vehicle finance. Driven by a nimble-footed sales force, a wide range of products, continuous efforts to 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 fully complies with all the periodic guidelines issued by the RBI and other regulators and adheres strictly to Capital Adequacy, Fair Practice Codes, RBI Reporting, Asset Classification and Provisioning Norms, etc., to ensure zero-tolerance on the non-compliance aspect. Stringent review systems to ensure compliance with the statutory guidelines and norms of the NBFC industry are also in place.

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. The regulatory framework classifies NBFCs under 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.

Human capital risk

This is the risk of undesired attrition of good performers and critically skilled employees in the evolving environment.

Approach: Our Company strives to have contemporary, employee-friendly policies and people-oriented culture. MMFSL mitigates the risk of attrition by ensuring continuous analysis and action planning in all areas to improve our people practices constantly. Each year, the organisation does a comprehensive study of identifying employee pain areas and implements solutions around the identified areas. The compensation our Company paid is comparable with other companies of our class and size, and regular benchmarking is done to understand the variances. Regular connections by business managers and HR ensures that employee concerns are addressed proactively to reduce regrettable attrition. We also actively invest in training and upskilling our workforce. The Company continuously invests in training and upskilling its workforce to meet the evolving expectation of our stakeholders.

Information technology risk

With the rise of technology-dependent services, it is critical to keep any technology and cyber risk 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.

Pandemic risk

The COVID-19 pandemic has had an unprecedented impact on societies and economies worldwide. This event has also impacted us at different levels. In addition, the pandemic's impact increased political and macroeconomic risks.

Approach: Our conservative capital structure policies ensure that our Company always remain adequately capitalised. The liquidity chest ensures that such pandemic shocks can be absorbed without impacting our credit rating and 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 volatilities, that may lead to a reduction in earnings, economic value, or both.

Approach: Our Company is safeguarded against any market risk owing to the 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 shift in weather patterns that threaten food production, the impact of which are global in scope and unprecedented in scale. The risk from climate change may also entail irregular weather conditions, such as sporadic monsoon, which significantly affects 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.

Human resources

At MMFSL, our employees form the bedrock of all our initiatives. Based on this deeply rooted philosophy, we adapt our HR policies to deliver an employee-centric approach.

We believe in providing a positive work environment that fosters growth and learning. Our unwavering commitment to creating an inclusive workplace has seen us take significant strides to implement best-in-class practices that promote diversity, equity, and inclusion. 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 that were immensely appreciated by our employees and managers and helped boost the overall performance of the organisation.

In our commitment to overall well-being, growth, and job satisfaction, we go beyond the traditional employee policies and benefits. The policies are designed to promote work-life balance, foster professional development, and prioritise employee health and welfare.

Harnessing the power of digitisation and being a future-ready organisation are the key priority areas for us. In today's rapidly evolving digital landscape, Mahindra Finance recognises the tremendous potential of digitisation in driving innovation, efficiency, and growth. Through our digital learning platforms, we empower our employees to engage in continuous learning, regardless of their location or schedule.

Creating a culture of continuous learning and of nurturing talent to meet the present and future needs of the business is at the core of our people development philosophy at Mahindra Finance. We are committed to continuously evolving our practices, listening to our employees, and working collaboratively to foster a workplace where everyone can flourish and contribute their best.

Achievements

We have been certified as a Great Place to Work (GPTW) for 2023 by the Great Place to Work Institute. We are honoured to receive this certification and 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 the 'Best Place to Work in India' title from AmbitionBox and were awarded the 'Happiest Workplace for Women' title by India Today.

Information Technology

The way customers engage with businesses is dynamic and is undergoing a significant transformation, prompting digital leaders to take swift action and provide effective solutions that cater to present and future scenarios. Digital has shifted from being just a business channel to becoming the core of the business itself. Achieving seamless remote customer service, doorstep product delivery, and digital sales requires overcoming obstacles related to processes and mindset.

We are enabling our employees, customers, and other stakeholders by offering them robust digital alternatives through a redesigned unified app for customer acquisition, underwriting, and collection. These tools shall compliment the reliance placed on physical appraisal and building customer relationship at local level. Shifting from conducting business digitally to becoming digitally-led businesses, has become an integral part of our organisational strategy.

Enhancing digital reach

With our focus on mobile technology, our mobile app has become a pivotal channel for customer service, brand loyalty, customer retention, new customer acquisition, and revenue generation. The MF Customer app, available in 11 languages, enables customers to manage loan accounts, make EMI payments, apply for vehicle loans, and access additional services. In FY2023, app users increased by 40%, reaching 8.7 lakh users, while collections from the app doubled. We are also developing a dealer app to provide key business information to our partners and salespeople across India.

Leveraging technology

Our digital ambitions have expanded across various lines of segments and products, including auto loans, pre-owned car loans, leasing, and SMEs. The introduction of 'OneApp' empowers our feet-on-street employees with decision-making capabilities through digital intervention, enhancing their collection efficiency and transforming our business digitally.

We introduced 'Used Car Digi Loans', a comprehensive digital journey in collaboration with leading brands in the used car industry, Car & Bike and Rupyy. This integrated journey provides customers with personalised loan offers from Mahindra Finance, enabling quicker purchasing decisions. Partners gain real-time visibility of application status and sanctioned loan offers, facilitating prompt vehicle delivery and enhancing customer satisfaction.

We prioritise enhancing our core operations by adopting cloud-based loan origination and management systems, leveraging advanced API platforms for scalable transactions. Digitalisation has accelerated loan processing while maintaining rigorous checks. Additionally, we harness the power of data sciences and artificial intelligence, utilising business intelligence dashboards and machine learning models for strategic initiatives in areas such as lending, retention, and business expansion.

We lead the way among NBFCs globally with our end-to-end digital process for issuing Fixed Deposit (FD) advice to customers, channel partners, and platform integration. Our innovative solutions include chatbot platforms, WhatsApp integration, and enhanced availability through DR systems. We prioritise security compliance, standardised CKYC processes using Azure cognitive services, and leverage robotic process automation to optimise FD operations while ensuring regulatory compliance.

We prioritise risk minimisation by aligning our risk management processes with ISO 27001:2013 and COSO framework. This includes conducting periodic risk assessments, employing a defence-in-depth strategy, and utilising technology, monitoring, and audits to mitigate risks. We leverage manual and automated technologies to treat identified risks. Additionally, we are actively adopting data privacy practices in alignment with upcoming government initiatives on data privacy.

Internal control

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 effect 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.

Report on Corporate Governance

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.

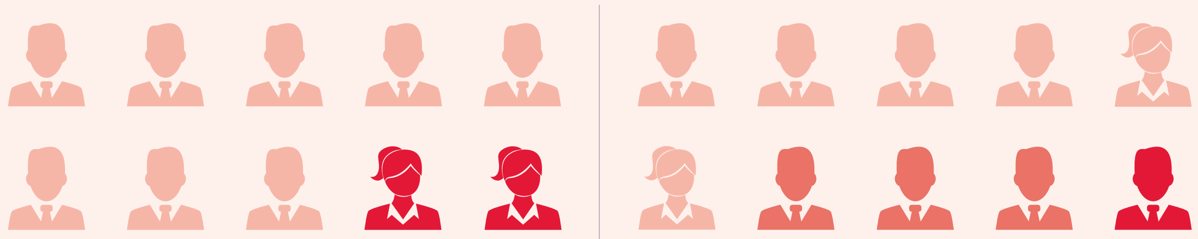
Your Company is in compliance with the Corporate Governance requirements as mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in letter and in spirit. A Report on compliance with the Code of Corporate Governance as stipulated in the Listing Regulations, for the year ended 31st March 2023 (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 ten Directors as on 31st March 2023 and 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 2023



80% Men
20% Women

60% Independent Director
30% Non- Executive Non-Independent Directors
10% Executive Director

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://mahindrafinance.com/discover-mahindra-finance/management.

COMPOSITION OF THE BOARD

Composition and other details of Board of Directors as on 31st March 2023

Dr. Anish Shah

DIN - 02719429
Non-Executive Chairman

Nationality	USA (OCI Card holder, resident of India)
Age	53
Date of Appointment	18th March 2016
Tenure on Board	7 years
Term Ending Date	N.A.
Shareholding	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director & Chairman
Mahindra & Mahindra Limited	Managing Director & CEO
Mahindra Logistics Limited	Non-Executive Non-Independent Director & Chairman
Mahindra Lifespace Developers Limited	Non-Executive Non-Independent Director
Tech Mahindra Limited	Non-Executive Non-Independent Director
Mahindra Holidays & Resorts India Limited	Non-Executive Non-Independent Director
Other Directorships*	Nil
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	64
Date of Appointment	30th April 2001
Tenure on Board	21 years and 11 months
Term Ending Date	29th April 2024
Shareholding	18,13,750 (0.15%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Executive Director -Vice Chairman & Managing Director
Other Directorships*	7
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1, Member: 5

Mr. C. B. Bhave	
DIN - 00059856 Independent Director	
Nationality	Indian
Age	72
Date of Appointment	3rd February 2015
Tenure on Board	8 years and 2 months
Term Ending Date	2nd February 2025
Shareholding	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	
Avenue Supermarts Limited	Independent Director
Tejas Networks Limited	
Other Directorships*	2
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 4, Member: 5

Mr. Milind Sarwate	
DIN - 00109854 Independent Director	
Nationality	Indian
Age	63
Date of Appointment	1st April 2019
Tenure on Board	4 years
Term Ending Date	31st March 2024
Shareholding	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	
Asian Paints Limited	
FSN E-Commerce Ventures Limited	
Matrimony.com Limited	Independent Director
Metropolis Healthcare Limited	
Sequent Scientific Limited	
Other Directorships*	4
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 5, Member: 10

Mr. Dhananjay Mungale	
DIN - 00007563 Independent Director	
Nationality	British (OCI Card holder, resident of India)
Age	69
Date of Appointment	24th July 2014
Tenure on Board	8 years and 8 months&
Term Ending Date	23rd July 2024
Shareholding	12,500 (0.001%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	
Mahindra Logistics Limited	
NOCIL Limited	Independent Director
Tamilnadu Petroproducts Limited	
Mahindra CIE Automotive Limited	
Other Directorships*	3
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 4, Member: 9

Dr. Rebecca Nugent	
DIN - 09033085 Independent Director	
Nationality	USA
Age	46
Date of Appointment	5th March 2021
Tenure on Board	2 years and 1 month
Term Ending Date	4th March 2026
Shareholding	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Other Directorships*	0
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 0, Member: 0

Ms. Rama Bijapurkar	
DIN - 00001835 Independent Director	
Nationality	Indian
Age	66
Date of Appointment	24th July 2014
Tenure on Board	8 years and 8 months&
Term Ending Date	23rd July 2024
Shareholding	30,000 (0.002%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Sun Pharmaceutical Industries Limited	
Cummins India Limited	
VST Industries Limited	
Apollo Hospitals Enterprise Limited	
Gokaldas Exports Limited	
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2, Member: 5

Mr. Diwakar Gupta	
DIN - 01274552 Independent Director	
Nationality	Indian
Age	69
Date of Appointment	1st January 2023
Tenure on Board	3 months
Term Ending Date	31st December 2027
Shareholding	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. Amit Kumar Sinha	
DIN - 09127387 Non-Executive Non-Independent Director	
Nationality	Indian
Age	49
Date of Appointment	23rd April 2021
Tenure on Board	1 year and 11 months
Term Ending Date	N.A.
Shareholding	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director
Mahindra Lifespace Developers Limited	
Other Directorships*	2
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 0 Member: 1

Mr. Siddhartha Mohanty	
DIN - 08058830 Non-Executive Non-Independent Director	
Nationality	Indian
Age	59
Date of Appointment	1st April 2022
Tenure on Board	1 year
Term Ending Date	N.A.
Shareholding	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director
Life Insurance Corporation of India	Managing Director & In-Charge
The India Cements Limited	Non-Executive (Nominee Director)
Other Directorships*	2
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 0 Member: 1#

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.

Life Insurance Corporation of India has been included, though incorporated under the Life Insurance Corporation Act, 1956.

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 for it to function effectively and those actually available with the Board during FY2023, 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. C. B. Bhave	Mr. Dhananjay Mungale	Mr. Milind Sarwate	Ms. Rama Bijapurkar	Dr. Rebecca Nugent	Mr. Amit Kumar Sinha	Mr. Siddhartha Mohanty	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.							X			
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.							X			
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.	√	√	√	X	√	√	√	√	√	√
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.	√	√	√	√	√	√	X	√	√	√
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.	√	√	√	√	√	√	√	√	√	√

CHANGES IN BOARD MEMBERS DURING FY2023 AND THEREAFTER

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	Change	Effective date and 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 through remote e-voting mode, had approved the appointment of Mr. Siddhartha Mohanty and Mr. Diwakar Gupta, with requisite majority on 15th March 2022 and 30th December 2022, respectively.

Appointment of Mr. Raul Rebello as Executive Director

As a part of succession planning and to ensure seamless transition, Mr. Raul Rebello has been appointed by the Board of Directors, subject to the approval of the shareholders, as the Whole-time Director designated as 'Executive Director and MD & CEO- designate' w.e.f. 1st May 2023 to 29th April 2024 and as the Managing Director of the Company designated as 'Managing Director & CEO' w.e.f. 30th April 2024 to 30th April 2028 (both days inclusive).

Mr. Raul Rebello will assume the office of the MD & CEO effective 30th April 2024, on superannuation of Mr. Ramesh Iyer, Vice-Chairman and Managing Director of the Company on 29th 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. FY2022 is given below:

Board Members	Change in FY2022	Effective date / Period
Mr. Dhananjay Mungale	Resigned as the Chairman of the Board. Continues as an Independent Director	1st April 2021
Dr. Anish Shah	Director of the Company was appointed as the Non-Executive Chairman.	w.e.f. 2nd April 2021
Mr. Amit Raje*	Appointed as Whole-time Director, designated as Chief Operating Officer Digital Finance - Digital Business Unit	1st April 2021 (for a period of five years.)
Mr. Amit Kumar Sinha*	Appointed as an Additional, Non-Executive Non-Independent Director.	23rd April 2021
Mr. Ramesh Iyer*	Re-appointed as Managing Director, designated as "Vice-Chairman & Managing Director" of the Company	30th April 2021 (for a period of three years)

* The shareholders of the Company at the AGM held on 26th July 2021, had approved the appointment of Mr. Amit Raje and Mr. Amit Kumar Sinha, and had approved the re-appointment of Mr. Ramesh Iyer with requisite majority.

Directors retiring by rotation at ensuing AGM

In terms of Section 152 of the Act, Mr. Amit Kumar Sinha (DIN: 09127387), Non-Executive Non-Independent Director, is liable to retire by rotation at the ensuing AGM. Although eligible for re-appointment as Director, he does not seek re-appointment, due to his transition to a new role in Mahindra Group i.e. he being appointed as the Managing Director & CEO of Mahindra Lifespace Developers Limited w.e.f. 23rd May 2023. Accordingly, he would cease to hold office as a Director of the Company at the close of the ensuing AGM, scheduled to be held on 28th July 2023. The Board has resolved not to fill the said vacancy.

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 your Company are inter-se related to each other.

Management Team

The Management of the Company comprises Senior Executives from different functions headed by the Vice-Chairman & 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 FY2023 which could have potential conflict of interest with the Company at large.

Changes in Key Managerial Personnel

There was no change in Key Managerial Personnel ("KMPs") of the Company during the financial year under review except Mr. Amit Raje who had ceased to be Whole-time Director w.e.f. 28th July 2022.

Board Meetings and attendance thereat

The Board of Directors met seven times during the year under review i.e. on 2nd May 2022, 28th July 2022, 26th September 2022, 4th October 2022, 2nd November 2022, 3rd February 2023 and 16th March 2023 which was adjourned and continued on 17th March 2023 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 32nd Annual General Meeting held on 28th July 2022 is as under:

Name of Directors	AGM, 28th July 2022 (VC/ OAVM)	Board Meetings in FY2023# 1	2	3	4	5	6	7	Board Meetings held*	Board Meetings Attended	% of attendance of a Director across all Board meetings
		2nd May 2022	28th July 2022	26th September 2022	4th October 2022	2nd November 2022	3rd February 2023	16th & 17th March 2023			
Dr. Anish Shah	√	●	●	√	√	●	●	●	7	7	100%
Mr. Ramesh Iyer	√	●	●	●	●	●	●	●	7	7	100%
Mr. Amit Raje	√	●	●	NA	NA	NA	NA	NA	2	2	100%
Mr. C. B. Bhave	√	√	√	√	√	●	●	●	7	7	100%
Mr. Dhananjay Mungale	√	●	√	√	√	●	●	●**	7	7	100%
Mr. Milind Sarwate	√	√	●	√	√	●	●	●	7	7	100%
Ms. Rama Bijapurkar	√	●	●	√	√	●	●	●	7	7	100%
Dr. Rebecca Nugent	√	√	√	√	√	√	√	●	7	7	100%
Mr. Amit Kumar Sinha	√	●	●	●	●	●	●	●	7	7	100%
Mr. Siddhartha Mohanty	Not Present	●	X	X	X	●	X	●**	7	3	43%
Mr. Diwakar Gupta	NA	NA	NA	NA	NA	NA	●	●	2	2	100%
% of attendance of Board as a whole at each meeting	90%	100%	90%	88.89%	88.89%	100%	90%	100%			

√- Attended through video conference | ● - Attended in-person | X - Leave of Absence

\# All the meetings of the Board held during FY2023 were conducted in person/ physical form with option/ facility to the Directors to participate via VC.

* Attendance and percentage are calculated for meetings attended during the Director's tenure

** Mr. Dhananjay Mungale attended part of the meeting, and Mr. Siddhartha Mohanty did not attend the adjourned meeting held on 17th March 2023.

COMPLIANCE WITH DIRECTORSHIP LIMITS

On the basis of disclosures received from the Directors, it is confirmed that as on 31st March 2023, 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);

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 been considered in terms of Regulation 26 of the Listing Regulations.

Mr. Ramesh Iyer, Vice-Chairman & Managing Director and Mr. Raul Rebello, Executive Director and MD & CEO- Designate, do not serve as 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 2023, 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, Reserve Bank of India, or any such Statutory Authority is 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 and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and 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.

MEETINGS OF INDEPENDENT DIRECTORS

Meetings of Independent Directors were held on 8th September 2022 and 16th March 2023, 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 also 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.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company has adopted a structured programme for orientation for 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:

- Organising an annual Strategy Board Meeting which was attended by the Management and Functional Heads to deliberate on various topics related to the long-term Vision and Strategy of the Company;
- Quarterly reviews including Business performance update and Financial review;
- Presentations made by Internal Auditors and Statutory Auditors;
- Updates on Risk Management, mitigation and Enterprise Risk Management;
- Review of Strategic Investments and Business Opportunities of the Company;
- Industry Outlook, Competition update, update on Indian and Global macro-economic front;
- Information Technology Framework including Digitalisation initiatives;
- Strategy/Performance and investments made by subsidiary companies;
- Implementation of Liquidity Risk Management ("LRM") framework and Review of LRM & Asset Liability Management ("ALM") returns;
- Briefing on Corporate Social Responsibility ("CSR") activities, Business Responsibility and Sustainability Report ("BRSR") performance and Environmental, Social and Governance ("ESG") initiatives;
- Update on Company's remuneration policies and Succession Planning for KMPs and Senior Management;
- Prevention of Insider Trading Regulations, Listing Regulations;
- Discussion on Internal Control over Financial Reporting, Internal Control Processes, Framework for Related Party Transactions, etc.

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/investors/disclosures-reg-46-62/corporate-governance and also given below:

Independent Directors	No. of Programmes/ Meetings attended		Time Invested	
	During FY2023	From 1st April 2015 till 31st March 2023 (Cumulative)	During FY2023	From 1st April 2015 till 31st March 2023 (Cumulative)
Mr. C. B. Bhave	26	127	30 h 46 m	163 h 36 m
Mr. Dhananjay Mungale	30	132	32 h 33 m	155 h 33 m
Mr. Milind Sarwate	35	88	37 h 24 m	103 h 04 m
Ms. Rama Bijapurkar	18	102	25 h 22 m	139 h 47 m
Dr. Rebecca Nugent	15	24	21 h 53 m	41 h 53 m
Mr. Diwakar Gupta*	4	4	11 h 37 m	11 h 37 m

h-Hours, m-Minutes

*Appointed w.e.f. 1st January 2023.

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 encompasses all the facets of Company matters 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 minimisation 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, the Vice-Chairman & Managing Director ("VC and MD") apprises 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 Company, its subsidiaries, and JVs. Functional and other updates are also presented to the Board on periodical basis.

Review of subsidiary matters

The Board is briefed on the operating and financial performance of the subsidiaries. The minutes of the Board meetings of your Company's subsidiary companies, business performance along with a statement of all significant transactions, arrangements entered into, and investments made by 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 and agenda 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 and Committee Meetings except in case of shorter notice to transact urgent business. 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.

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. Further, a summary of the minutes is also circulated post conclusion of the meeting.

During FY2023, no Board meeting was held at a shorter notice, except the meeting held on 26th September 2022 and 4th October 2022.

The matters generally placed before the Board, inter-alia, includes:

Strategic matters

- Reviewing and guiding the corporate strategy;
- Details of any acquisition or collaboration agreement;
- Sale of investment, subsidiaries or assets which are material in nature.

Operational matters

- Business performance along with performance of subsidiaries;
- Annual operating plans and capital budgets;
- Regular business/function updates;
- Appointment and remuneration of directors, key managerial personnel, senior management and succession planning;
- Noting of RBI Inspection Report under Section 45N of the RBI Act 1934;
- Change in signatories for various operational matters;
- Noting of quarterly report on customer grievance redressal.

Finance matters

- Quarterly/Annual consolidated and standalone results and financial statements of the Company;
- Recommendation of Dividend;
- Quarterly details of foreign exchange exposures and hedging;
- Quarterly details on Loans/ Inter-Corporate Deposits given, Investments made, guarantees given or securities provided.

Statutory and Governance matters

- Materially important show cause, demand, prosecution notices and penalty notices, if any;
- Any issue which involves possible public or product liability claims of substantial nature;
- Corporate Social Responsibility related matters;
- Appointment and remuneration to Directors, KMP and SMP;
- Quarterly compliance certificate with exceptions, if any, of regulatory or statutory compliances;
- Overseeing risk management framework of the Company;
- Appointment of Joint Statutory Auditors;
- Minutes of meetings of the Board and its committees along with the minutes of its subsidiaries and resolutions passed by circulation;
- Approval of policies as statutorily required and recommended by the Board Committees;
- Approval for re-constitution of Committees of Board and amendment to the terms of reference;
- Significant transactions or arrangements by subsidiary companies;
- Statutory disclosures received from the directors and Senior Management;
- Performance evaluation of the Board, its committees and each director;
- Quarterly review of related party transactions and other related matters;
- 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.

Frequency and Calendar of Meetings

The Board and Committee meetings are pre-scheduled, and an annual calendar of the meetings is circulated 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. The statutory frequency and number of meetings held during FY2023 are given below:

Nature of Meeting	Annual frequency of meeting as prescribed statutorily	No. of Meetings held in FY2023
Board	4	7
Audit Committee	4	6
Nomination and Remuneration Committee	1	5
Stakeholders Relationship Committee	1	2
Risk Management Committee	2	5
Corporate Social Responsibility Committee	Not specified	3

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, VC & MD, and the CFO. The Agenda proposals are also shared with 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 meeting. Summary of Board/ Committee proposals is also shared prior to the meeting for easy reference.

Secured Electronic Board Portal

During the year under review, the Company migrated to a new secured Board portal which inter -alia provides a one stop and seamless solution for access and archive to Board / Committee materials to 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 Committee for its review.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

The Act and the Listing Regulations stipulate the evaluation of the 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 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 VC & 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 in alignment with the guidance note on Board evaluation issued by the 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

All the Directors of the Company as on 31st March 2023 had participated in the evaluation process. The Directors have expressed satisfaction with the criteria for evaluation of performance of Board, its Committees and individual Directors, assessed via online Portal through series of questions. The results of evaluation were encouraging showing high level of engagement of Board and its Committees performing its role with effective oversight and providing guidance to Management. The results of the evaluation were shared with the Board, Chairman of respective committees and individual Directors.

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 FY2023.

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 also 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. The Policy was amended twice during the year under review, details whereof are as mentioned hereunder:

Basis the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors at its meeting held on 2nd May 2022 had approved the revised policy to inter-alia include the clawback/ malus clause in the terms and conditions of appointment of Key Managerial Personnel (including Executive Directors) and Senior Management, in certain circumstances.

Further, basis recommendation of the NRC, the Board of Directors have approved the revision to the existing Policy, effective 25th November 2022, to make it consistent with the statutory requirements specified in the RBI guidelines dated 29th April 2022.

The said Policy is uploaded on the website of the Company and can be accessed at https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#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 subject to approval of Members of the Company.

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 of Committees, their contribution in enhancing stakeholders' value resulting in overall growth of the Company and such other factors as the NRC may deem fit.

Pursuant to the approval granted by the Members of the Company at the Twenty-fifth Annual General Meeting held on 24th July 2015, the eligible Non-Executive Directors are paid aggregate commission up to a maximum of 1% of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

The eligible Non-Executive Directors are paid a sitting fee for attending each Meeting of the Board and Committees thereof as under. Further the Board, considering the enhanced regulatory provisions, increased responsibilities of the directors and to recognise 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 Holding Company) for attending the Committee Meetings. Details of the sitting fees as applicable for Board and Committee meetings is as under:

Meetings	Sitting Fees per meeting per Director (FY2023) (₹)	Revised Sitting fees w.e.f. 28th April 2023 (₹)
Board of Directors	1,00,000	No change
- Audit Committee, - Risk Management Committee - Nomination and Remuneration Committee - Asset Liability Committee - IT Strategy Committee - Committee for Strategic Investments	50,000	60,000
- Stakeholders Relationship Committee - Corporate Social Responsibility Committee - Digital and AI Committee	30,000	60,000

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 2023.

Remuneration of Executive Directors includes salary, perquisites, allowances, benefits, amenities, retirals, viz. superannuation including gratuity and provident fund and stock options. The remuneration of Directors is recommended by the NRC to the Board, which is subject to approval of the Shareholders of the Company.

The NRC while deciding the basis for determining the remuneration of the Executive Directors takes into consideration the individual performance and the 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 individual performance.

Directors' remuneration for FY2023:

Executive Directors ("ED")

(₹ in Crore)

Name of the Directors	Basic Salary	Perquisites including allowances and benefits	Performance Pay	ESOPS exercised	Retirals	Total
Mr. Ramesh Iyer, VC & MD*	1.26	3.45	2.07	-	0.38	7.16
Mr. Amit Raje, WTD**	0.63	1.87	1.52	4.35	0.07	8.44

*Mr. Iyer is entitled to an aggregate incentive of ₹ 31.96 Lakhs, to be paid in FY2024 and FY2025.

**Mr. Raje was earlier associated with the Holding Company viz. Mahindra & Mahindra ("M&M") as Executive Vice President - Partnerships & Alliances, wherein he was granted 97,783 ESOPs of M&M at an exercise price of ₹ 5/- per share. While he was paid remuneration from the Company during his stint with the Company as WTD, out of 43,458 ESOPs of M&M vested and exercisable by him, he exercised 34,028 ESOPs during FY2023. The unvested options on the date of his separation from the Company, have lapsed.

Details of ESOPs granted, vested, and exercised by Mr. Ramesh Iyer, VC and MD are given as under:

Date of grant	24th October 2018
No. of ESOPs granted under ESOS 2010 Scheme	2,32,468
Exercise Price	129,149 ESOPs at exercise price of ₹ 2 per share 103,319 ESOPs at exercise price of ₹ 50 per share*
Vesting period	Over 5 equal instalments, vesting annually
Vesting Conditions	Time based
No. of ESOPs vested up to 31st March 2023	1,80,810
No. of ESOPs exercised up to 31st March 2022	1,29,150
No. of ESOPs vested during FY2023	51,660
No. of vested ESOPs exercised during FY2023	Nil
No. of ESOPs outstanding (unvested) as on 31st March 2023	51658

*ESOPs augmented by equal no. of Rights Options on account of Right Issue in the ratio 1:1 made in August 2020.

Notes:

1. In addition to ESOPs granted on 24th October 2018, as shown in the above table, 3,75,289 ESOPs which were granted earlier, have been fully vested and exercised by 31st March 2022. As on 31st March 2023, he holds 18,13,750 equity shares (0.15%) in the Company.
2. Mr. Ramesh Iyer has also received an amount of Rs. 89.23 lakhs during FY2023 upon settlement of fourth vesting of the employee's phantom stock options granted by Mahindra Insurance Brokers Limited, subsidiary of the Company.
3. The notice period for the VC and MD is three months. Performance Pay is performance linked. Other components are fixed. There is no provision for the payment of severance fees.

Non-Executive Directors

₹ in crores

Name of the Directors	Sitting Fees for FY2023 (Gross)	Commission for the year ended 31st March 2022 paid in FY2023	Commission for the year ended 31st March 2023 provided as payable in the accounts of the Company for the year under review
Non-Executive Non-Independent Directors ("NED")			
Dr. Anish Shah	Nil	Nil	Nil
Mr. Amit Kumar Sinha	Nil	Nil	Nil
Mr. Siddhartha Mohanty	0.03*	N.A.	0.31*
Independent Directors ("ID")			
Mr. C.B. Bhave	0.17	0.30	0.33
Mr. Dhananjay Mungale	0.18	0.30	0.33
Mr. Milind Sarwate	0.21	0.30	0.33
Ms. Rama Bijapurkar	0.13	0.30	0.33
Dr. Rebecca Nugent	0.10	0.30	0.33
Mr. Diwakar Gupta	0.03	N.A.	0.08**

* The Sitting fees has been paid to Life Insurance Corporation of India (LIC) and Commission would be paid to LIC.

** Appointed w.e.f. 1st January 2023 and hence commission would be paid on a proportionate basis.

Considering the performance of the Company and significant contribution made by the Independent Directors, the commission amount has been increased from ₹ 30 lakhs per annum for FY2022 to ₹ 33 lakhs per annum for FY2023.

During 2022-23, 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 with 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 have been posted on the Company's website at the web-link: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#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 Vice-Chairman & Managing Director 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, the Vice-Chairman & 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 2023.

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 for timely alerts and advisory to ensure compliances within stipulated timelines. The Compliance certificate every quarter is being generated from the said Portal.

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 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, the CEO/MD or the Executive Director (ED) should head the Asset Liability Committee. Hence all the Committees of the Board except Asset Liability Committee are chaired and led by an Independent Director.

The composition, role and functioning of these Committees is 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 is also in consonance with the Corporate Governance Master Directions 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 – Non-Banking Financial Company – Systemically Important Non-

Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, 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 the information of the stakeholders.

Summary of the 9 Committees and their constitution as on 31st March 2023 in nutshell is as under:

© 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 32nd AGM of the Company to address the Shareholders' queries pertaining to Annual Accounts of the Company.

Meetings of Audit Committee

During FY2023, the Audit Committee met six times i.e. on 2nd May 2022, 28th July 2022, 20th September 2022, 2nd November 2022, 3rd February 2023 and 16th March 2023. 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 31st March 2023
Total Members	Minimum 3 Directors	6
Independent Directors	Minimum 2/3 Members	5 (more than 2/3rd)
Non- Executive Non- Independent Director	-	1

Audit Committee composition as at 31st March 2023 and attendance at the meetings held during FY2023

Audit Committee Members	Category	Membership (dd.mm.yyyy) Date of appointment	Date of cessation	Attendance and Meetings	% Attendance
Mr. C. B. Bhave (Chairperson)	ID	10.02.2015	-	6 out of 6	100%
Mr. Dhananjay Mungale	ID	17.02.2000	-	6 out of 6	100%
Mr. Milind Sarwate	ID	09.04.2019	-	6 out of 6	100%
Ms. Rama Bijapurkar	ID	27.10.2008	-	3 out of 6	50%
Dr. Anish Shah	NED	18.03.2016	02.05.2022	0 out of 1	0%
Mr. Amit Kumar Sinha	NED	02.05.2022	-	4 out of 5	80%
Mr. Diwakar Gupta	ID	03.02.2023	-	1 out of 1	100%

Basis their requests, Ms. Rama Bijapurkar was granted Leave of Absence ("LOA") from attending Audit Committee meeting held on 28th July 2022, 20th September 2022, 3rd February 2023 and Dr. Anish Shah was granted LOA from attending the Audit Committee meeting held on 2nd May 2022.

Terms of reference of Audit Committee

The terms of reference of this 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 3rd February 2023, enhanced the terms of reference of the Committee to align with the amendment in the Listing Regulations.

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 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.

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. Four meetings were held on 2nd May 2022, 20th September 2022, 2nd November 2022 and 16th March 2023.

Separate meetings between the Joint Statutory Auditors and the Audit Committee

Separate meetings between the Joint Statutory Auditors and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. Three meetings were held on 2nd May 2022, 20th September 2022 and 2nd November 2022

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. Separate meeting with CRAs was held on 16th March 2023 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 VC & MD, Whole-time Director, Internal Auditor, Statutory Auditors, CFO, Head- Accounts, Treasury and Corporate Affairs, Chief Operating Officer ("COO") and Chief Risk Officer ("CRO") are invited to attend the Audit Committee Meetings. The Company Secretary acts as a secretary to the Committee.

The key activities of the Audit Committee during FY2023

The details of key matters reviewed/ recommended/ approved by the Audit Committee during FY2023 as per the terms of reference, 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 FY2023	Frequency
Recommended Quarterly, Half yearly and Annual Standalone and Consolidated financial statements/ results of the Company and other related matters	Q/A
Recommended the appointment of the Joint Statutory Auditors and the fees payable to them along with the fees payable for other permitted services to be rendered by the Statutory Auditors.	E/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.	A/Q
Reviewed the Audited financial statements, in particular the investments made by all subsidiary companies and all significant transactions and arrangements entered into by the subsidiary companies	Q
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, 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 all Non-Executive Directors. NRC is headed by an Independent Director.

Meetings of NRC

During FY2023, the NRC met five times i.e. on 2nd May 2022, 28th July 2022, 30th September 2022, 1st November 2022 and 2nd February 2023. All the Meetings were well attended.

NRC Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2023
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 2023 and attendance at the meetings held during FY2023

NRC Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Dhananjay Mungale (Chairperson)	ID	19.03.2014	5 out of 5	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 except for appointment of Mr. Diwakar Gupta as Member of the Committee.

Terms of reference of NRC

The terms of reference of this Committee 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 such further ESOP/ RSU Schemes as may be formulated 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.

The key activities of the Nomination and Remuneration Committee during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 as per the terms of reference, 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 FY2023	Frequency
Recommended the appointment of Mr. Diwakar Gupta as Independent Director for the first term of five years	E
Noted the cessation of Directorship of Mr. Amit Raje and recommended that the said vacancy be not filled-up.	E
Recommended the remuneration payable to Directors, KMPs and Senior Management.	A
Noted the Fit and Proper declaration of Directors	A
Noted the annual performance evaluation of Board and Committees for FY2022	A
Recommended the appointment of the Chief Compliance Officer of the Company, for a period of three years.	E
Recommended the appointment of Mr. Raul Rebello as the Managing Director - Designate, w.e.f. 3rd February 2023	E
Recommended the re-constitution of Audit Committee, NRC, RMC and ALCO	E
Recommended the amendment to the Policy on appointment of Directors, Senior Management and Succession Planning for orderly succession to the Board and Senior Management and Policy for Key Managerial Personnel, Senior Management and other Employees.	E
Succession planning	P

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 dated 1st September 2016, 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. The Board at its meeting held on 3rd February 2023, enhanced the terms of reference of the Committee to include "the review of customer grievances" as per the Fair Practice Code prescribed by the Reserve Bank of India.

Meetings of the SRC

During FY2023, the SRC met two times i.e. on 1st November 2022 and 2nd February 2023. All the Meetings were well attended.

SRC Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2023
Total Members	Minimum 3 Directors	3
Independent Directors	Minimum 1	2
Executive Directors	-	1

SRC composition as at 31st March 2023 and attendance at the meetings held during FY2023

SRC Members	Category	Membership (dd.mm.yyyy)		Attendance and Meetings	% Attendance
		Date of appointment	Date of cessation		
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. Amit Raje *	ED	28.01.2021	28.07.2022	0 out of 0	0%

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, 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.

The key activities of the Stakeholders Relationship Committee during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Stakeholders Relationship Committee are briefed as under:

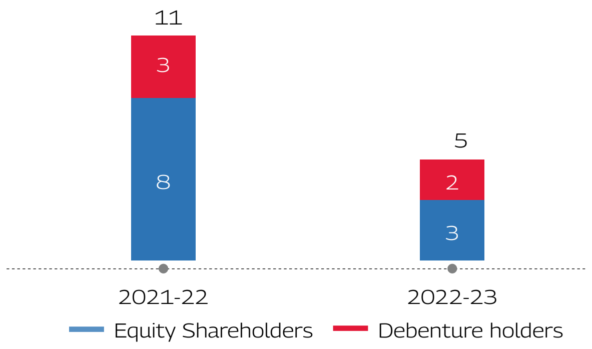
Key Activities of the Stakeholders Relationship Committee

Key Matters reviewed/ recommended/ approved by the Committee during FY2023	Frequency
Reviewed compliances related to KFin Technologies Limited ("RTA/ KFin") activities and Investor Related Compliances	P
Reviewed the complaints received from fixed deposit holders and action taken thereon	P
Noted the amount pertaining to Fixed Deposits, Dividend and shares transferred to IEPF	P
Reviewed various initiatives undertaken by the Company to enable the holders to claim their unclaimed matured fixed deposits/ matured Debentures and interest accrued thereon/ unclaimed dividend, due for transfer to IEPF.	P
Noted the report on Customer Grievance Redressal and Investor Complaints	P
Noted the release of equity shares from "Mahindra & Mahindra Financial Services Limited - Right Allotment Suspense Demat Account" to the demat accounts of eligible investors.	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
Noted the service standards of RTA along with controls/ service timelines/ processes followed by RTA, via a presentation made by RTA at the meeting	P

A-Annually; P-Periodically

Details of complaints/grievances received from Investors and resolved by the Company during last 2 years are given below.

Status of Investor Complaints



Status of Complaints from Equity and Debenture holders	FY2023
Number of complaints at the beginning of the year	1
Number of complaints received during the year	5
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 Right issue Shares, non-receipt of Dividend etc.

ii. **Public NCDs:** Non-receipt of Interest and redemption warrant.

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 FY2023, the CSR Committee met three times i.e. on 27th April 2022, 8th September 2022 and 2nd February 2023. All Meetings were well attended.

CSR Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2023
Total Members	Minimum 3 Directors	3
Independent Directors	1	2
Executive Director	-	1

CSR Committee composition as at 31st March 2023 and attendance at the meetings held during FY2023:

CSR Committee Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Dhananjay Mungale (Chairperson)	ID	09.04.2019		
Ms. Rama Bijapurkar	ID	09.04.2019	3 out of 3	100%
Mr. Ramesh Iyer	ED	15.03.2013		

There was no change in the composition of the Corporate Social Responsibility Committee during the year.

Terms of reference of CSR

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 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, the formulation and recommendation to the Board for its approval and implementation, the Business Responsibility ("BR") Policy (ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft BR 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//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies.

The key activities of the Corporate Social Responsibility Committee during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 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 FY2023	Frequency
Reviewed the CSR funds spent towards CSR Projects/ activities for FY2022	P
Recommended BRR and CSR reports for approval and inclusion in the Annual Report	A
Recommended Annual Action Plan of the Company for FY2023	A
Reviewed the Company's Business Responsibility Performance	P
Recommended the Business Responsibility and Sustainability Report Policy and amendments to the 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 all Board Members, led by an Independent Director.

Meetings of RMC

During FY2023, the RMC met five times on 27th April 2022, 27th July 2022, 1st November 2022, 2nd February 2023 and 15th March 2023. All meetings were well attended.

RMC Constitution:

Composition	Statutory Requirement	No. of members as on 31st March 2023
Total Members	Minimum 3 Directors	6
Independent Directors	Minimum 1	5
Executive Director	-	1

RMC composition as at 31st March 2023 and attendance at the meetings held during FY2023

RMC Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. C. B. Bhave (Chairperson)	ID	10.02.2015	5 out of 5	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	1 out of 1	100%

There was no change in the composition of the Risk Management Committee during the year except for appointment of Mr. Diwakar Gupta as Member of the Committee.

Terms of reference of RMC

Regulation 21 of the Listing Regulations mandates constitution of the Risk Management Committee. Your 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.

Ms. Mallika Mittal acts as the Chief Risk Officer ("CRO") of the Company, to oversee and strengthen the Risk management function.

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 causes of risks and their impact, key performance indicators, risk management measures and the steps being taken to mitigate these risks.

The key activities of the Risk Management Committee during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 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 FY2023	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
Noted the Risk Assessment and minimisation procedures	P
Recommended various Product Policies, Policy on Internal Capital Adequacy Assessment Process (ICAAP Policy), etc.	E
Recommended the Internal Capital Adequacy Assessment Process (ICAAP) framework and Risk Appetite Statement (RAS).	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

During FY2023, CSI met once i.e. on 20th October 2022 to approve the proposal regarding acquisition of remaining 20% stake in Mahindra Insurance Brokers Limited, subsidiary of the Company.

CSI Committee composition as at 31st March 2023 and attendance at the meeting held during FY2023

Members of the Committee for Strategic Investments	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Dhananjay Mungale (Chairperson)	ID	20.03.2015	1 out of 1	100%
Mr. Milind Sarwate	ID	09.04.2019		
Mr. Ramesh Iyer	ED	09.04.2019		
Dr. Anish Shah	NED	23.03.2017	0 out of 1	0%

Basis his request, Dr. Anish Shah was granted leave of absence from attending CSI Committee meeting held on 20th October 2022.

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 FY2023, the Committee met four times i.e. on 27th April 2022, 27th July 2022, 1st November 2022 and 2nd February 2023. All Meetings were well attended.

ALCO composition as at 31st March 2023 and attendance at the meetings held during FY2023

ALCO Members	Category	Membership (dd.mm.yyyy) 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	-	4 out of 4	100%
Mr. Dhananjay Mungale	ID	12.09.2001	-	4 out of 4	100%
Mr. Amit Raje	ED	28.01.2021	30.11.2022	3 out of 3	100%
Mr. Diwakar Gupta	ID	03.02.2023	-	-	-
Mr. Raul Rebello	Chief Operating Officer, MD & CEO -Designate	02.02.2022	-	4 out of 4	100%
Mr. Vivek Karve	Chief Financial Officer	02.02.2022	-	4 out of 4	100%
Mr. Dinesh Prajapati	Head - Accounts, Treasury and Corporate Affairs	02.02.2022	-	4 out of 4	100%

Note - Mr. Raul Rebello and Mr. Dinesh Prajapati hold 355 (0.00%) and 1,86,554 (0.02%) shares respectively, in the Company as on 31st March 2023.

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.

The key activities of the Asset Liability Committee during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 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 FY2023	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 fund raising plan for FY2024	P
Reviewed the Liquidity Risk Management Policy, Procedure and Framework	Q
Noted the report with regards to review of Liquidity Risk Management Framework by an external independent management consulting firm	E
Recommended the amendment to the Liquidity Risk Management Policy and Procedures, 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, issued by the Reserve Bank of India, specifying the IT framework to be adopted for the NBFC sector.

Meetings of ITSC

During the FY2023, the Committee met four times i.e. on 9th June 2022, 29th August 2022, 16th November 2022 and 23rd February 2023. All the Meetings were well attended.

ITSC composition as at 31st March 2023 and attendance at the meetings held during FY2023

IT Strategy Committee Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Milind Sarwate (Chairperson)	ID	23.09.2019	4 out of 4	100%
Mr. C. B. Bhave	ID	24.07.2017	3 out of 4	75%
Mr. Ramesh Iyer	ED	24.07.2017	4 out of 4	100%
Dr. Rebecca Nugent	ID	28.10.2021	4 out of 4	100%
Mr. Amit Kumar Sinha	NED	28.10.2021	4 out of 4	100%
Mr. Dinesh Gangwani	Chief Information Officer	28.10.2021	4 out of 4	100%

Note - Mr. Dinesh Gangwani holds 500 (0.00%) shares in the Company as on 31st March 2023.

Mr. C.B. Bhave was granted Leave of Absence ("LOA") from attending IT Strategy Committee meeting held on 29th August 2022.

There was no change in the composition of the IT Strategy Committee during the year.

Mr. Rajesh Doshi, Former Director-IT, NSDL, Special Invitee and Mr. Mohit Kapoor, EVP-Group CTO (Mahindra Group) and head of technology of MMFSL, are permanent Invitees to the Committee. The meetings of the IT Strategy Committee are also attended by the CTO and other 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 key activities of the IT Strategy Committee during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 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 FY2023	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 report	P
IT Strategy	P
Risk and Compliances pertaining to IT	P
Review of IT outsourcing activities	P
Recommended to the Board the amendment to the Cyber Crisis Management Plan, etc.	E

P-Periodically; E-Event based

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 consisting of the following members. The Committee was constituted voluntarily, as a good governance initiative.

Meetings of DAIC

During FY2023, the Committee met four times i.e. on 9th June 2022, 29th August 2022, 16th November 2022 and 23rd February 2023. All the Meetings were well attended.

DAIC composition as at 31st March 2023 and attendance at the meetings held during FY2023

Digital and AI Committee Members	Category	Attendance and meetings	% Attendance
Dr. Rebecca Nugent	ID	4 out of 4	100%
Mr. Milind Sarwate	ID	4 out of 4	100%
Mr. Ramesh Iyer	ED	4 out of 4	100%
Mr. Amit Raje*	ED upto 28th July 2022	2 out of 3	66.67%
Mr. Amit Kumar Sinha	NED	4 out of 4	100%
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	Chief Operating Officer, MD & CEO -Designate	4 out of 4	100%
Mr. Vineet Shukla	VP - Data Sciences	4 out of 4	100%

Mr. Mohit Kapoor and Mr. Vineet Shukla does not hold any shares in the Company as on 31st March 2023.

Mr. Amit Raje was granted Leave of Absence ("LOA") from attending Digital and AI Committee meeting held on 9th June 2022. Further, he ceased to be the member of the Committee w.e.f. 30th November 2022.

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 monetised later, defining high standards for customer centricity CX, defining data and AI governance framework.

The key activities of the DAIC during FY2023

The Committee reviewed/ recommended and approved the matters during FY2023 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 FY2023	Frequency
Data and AI capabilities and roadmap	P
Data capabilities for growth	P
Data Analytics	P

P- Periodically

SUBSIDIARY COMPANIES

Mahindra Rural Housing Finance Limited ("MRHFL"), a Debt listed subsidiary, is a material subsidiary of the Company as per the criteria specified in Regulation 16 of the Listing Regulations.

However, 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.

Disclosure requirements pertaining to material unlisted subsidiary companies prescribed under Schedule V of the Listing Regulations, are as follows:

Name of material subsidiary	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

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//investors/disclosures-reg-46-62/corporate-governance#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 FY2023, 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. 51 to Standalone Financial Statements of the Company for the year ended 31st March 2023 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 has been hosted on the website of the Company in accordance with the provisions of the Listing Regulations and RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended and can be accessed at the web-link: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#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 FY2023. Disclosure on the same is given in note no. 51(IV) of the Standalone Financial Statements of the Company for the year ended 31st March 2023. The Company has not availed any loans from M&M, its Holding Company and Promoter, during FY2023.

Disclosure on transactions with M&M as applicable, are given in note no. 51(ii) of the Standalone Financial Statements of the Company for the year ended 31st March 2023.

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 2023, 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.

BSE had levied a fine of ₹ 1,65,200 (including GST) 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. The Company had made an application for condonation of delay and waiver of fine. The Company has paid the fine on 13th January 2023.

The Reserve Bank of India had imposed penalty/ strictures as stated in note no. 53 (VII)(b) of the Standalone Financial Statements of the Company for the year ended 31st March 2023. The Company has strengthened its systems and control processes to ensure regulatory compliances.

The Company has during the year, in compliance with the RBI Circular dated 11th April 2022, put in place the Compliance Policy duly approved by 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 and Secretarial Standards

During the financial year ended 31st March 2023, the Company has complied with the requirements of the Act, including Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by Institute of Company Secretaries of India.

Internal Ombudsman

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

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 2023 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 Company, in compliance with various Circulars issued by the Stock Exchanges, had during the year submitted SDD Compliance Certificate on a quarterly basis, in the format as prescribed, confirming compliance with the provisions pertaining to the SDD. Further, pursuant to Circular dated 25th January 2023 of the Stock Exchanges, the said certificate is no longer required to be submitted to the Stock Exchanges from quarter ended 31st March 2023, since the same has to be confirmed by the Secretarial Auditor in their Annual Secretarial Compliance Report ("ASCR"), submitted to the Stock Exchanges. 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.

Online Training Module, with audio feature, rolled out in FY2023

The Company, in order to create awareness amongst the Designated Persons, has developed an online module, covering various aspects of PIT Regulations, which is made compulsory for the Designated Persons to undergo, followed by assessment, to test the level of knowledge.

Physical/ in person awareness / induction sessions in FY2023

Further, the Company had during the year conducted six 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.

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 Act 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, any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes 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:

Independent third party Ethics Helpline Service Portal: https://ethics.mahindra.com

Toll free No: 000 800 100 4175

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//investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies.

The Audit Committee is apprised on the vigil mechanism on a periodic basis. During the year, no personnel was denied access to the Chairperson of the Audit Committee.

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//investors/disclosures-reg-46-62/corporate-governance#MMFSL.
- Other subject specific communication sent to the Shareholders during the year:
  - **Mandatory KYC:** The Company has sent requisite correspondence/reminders to the shareholders, holding shares in physical form, to provide the KYC documents/ details as required under SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/ 2021/ 687 dated 14th December 2021.
  - **Registration of email addresses** for the purpose of receiving Annual Report and e-voting at the AGM:
- The Company made special arrangements with the assistance of its Registrar & Transfer Agent during AGM of 2022 for registration of e-mail addresses of those Members whose email ids were not registered to enable them to receive the Notice of AGM along with the Annual Report including e-voting credentials electronically.
- **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 Zone**
- 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)/NSE Digital Exchange Portal.
- 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 Zone 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/investors/disclosures-reg-46-62/investor-information
- Members can also provide their feedback on the services provided by the Company and its Registrar & Transfer Agents by filling the **'Shareholders Satisfaction Survey'** form available on the website of the Company at https://www.mahindrafinance.com/survey-form/survey-form.
- 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
2019-2020	10th August 2020	3.00 p.m. (IST)	Increase in borrowing limits from ₹ 80,000 crores to ₹ 90,000 crores under Section 180(1)(c) of the Companies Act, 2013 ("the Act") and creation of charge on the assets of the Company under Section 180(1)(a) of the Act.
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 w.e.f. 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 w.e.f. 1st April 2021 to 31st March 2026.
2021-2022	28th July 2022	3.30 p.m. (IST)	No special resolutions were passed

All the Resolutions moved at the last 3 AGMs were passed by the requisite majority of Members.

Extraordinary General Meetings

No Extraordinary General Meeting was held during the Financial Year under review.

POSTAL BALLOT

During FY2023, the Company had passed the following Resolution through Postal Ballot:

Sr. No.	Description	Ordinary/ Special Resolution
1.	Appointment of Mr. Diwakar Gupta (DIN: 01274552) as an Independent Director of the Company, for first term of five consecutive years commencing from 1st January 2023 to 31st December 2027 (both days inclusive).	Special Resolution

Scrutiniser details

Dr. C. V. Madhusudhanan (ICSI Membership No. FCS 5367) or failing him, Mr. V. R. Sankaranarayan (ICSI Membership No. FCS 11684), Partners, M/s. KSR & Co. Company Secretaries LLP, were appointed as Scrutiniser to conduct and scrutinise the postal ballot process and votes cast (through remote e-voting only) in a fair and transparent manner.

Voting Results:

Particulars	Percentage of Total Votes Polled (in %) (Appointment of Mr. Diwakar Gupta)	Result
Votes in favour of the resolution	99.998	Passed with requisite majority on 30th December 2022.
Votes against the resolution	0.002	
Total	**100**	

Procedure adopted for Postal Ballot:

Pursuant to the applicable MCA Circulars, the Postal Ballot Notice dated 25th November 2022 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, 25th November 2022 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 30th November 2022 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, 1st December 2022 and concluded at 5:00 p.m. (IST) on Friday, 30th December 2022.

The Scrutiniser submitted his report on postal ballot by remote e-voting process addressed to the Chairman of the Company on 30th December 2022.

The voting results were submitted to the Stock Exchanges where shares of the Company were listed, on 31st December 2022, 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.

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. The status of the same is as follows:

Compliance status of mandatory Corporate Governance requirements as on 31st March 2023 with weblink for policies is given hereunder:

Regulation No.	Corporate Governance requirement	Compliance Status
16(1)(b) & 25(6)	Criteria of Independence	Yes
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders' Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes, as applicable
24	Corporate Governance requirements with respect to subsidiary of the listed entity	Yes, as applicable
25	Obligations with respect to Independent Directors	Yes, as applicable
26	Obligations of employees, senior management, KMP, Directors and Promoters	Yes
27	Other Corporate Governance requirements	Yes

Regulation No.	Details on Company's Website	Compliance status	Weblink of Company's Website
46(2)(a)	Details of Business	Yes	https://www.mahindrafinance.com/discover-mahindra-finance/about-us
46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
46(2)(c)	Composition of various Committees of Board of Directors	Yes	https://www.mahindrafinance.com/discover-mahindra-finance/management
46(2)(d)	Code of conduct of Board of Directors and senior management personnel	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
46(2)(e)	Details of establishment of Vigil Mechanism/ Whistle Blower Policy	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
46(2)(g)	Policy on dealing with Related Party Transactions	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
46(2)(h)	Policy for determining 'material' subsidiaries	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
46(2)(i)	Details of familiarisation programmes imparted to Independent Directors	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#familiarisation-programme
46(2)(j)	Email address for grievance redressal and other relevant details	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-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/investors/disclosures-reg-46-62/investor-information
46(2)(l)	Financial Results	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/financial-information#quarterly-filings
46(2)(m)	Shareholding Pattern	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/financial-information#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 presentation made by the listed entity to analyst or institutional investor	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/financial-information#institutional-investors-analyst-meet
46(2)(p)	New name and the old name of the listed entity	NA	-
46(2)(q)	Items in sub-regulation (1) of Regulation 47 (Newspaper Publications)	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#newspaper-publication
46(2)(r)	Credit Ratings	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-information#credit-rating
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/investors
30	Materiality Policy as per Regulation 30	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies
43A	Dividend Distribution policy as per Regulation 43A	Yes	https://www.mahindrafinance.com/investors/disclosures-reg-46-62/corporate-governance#MMFSL-policies

Compliance with Non-Mandatory Requirements

The Company has adopted the following non-mandatory requirements:

Unmodified Audit Opinion

There was no audit qualification in Company's standalone or consolidated financial statements for FY2023. 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 and CEO

As on the date of this report, the Chairman of the Board is a Non-Executive Director and his position is separate from that of the Vice-Chairman & Managing Director. They are not related to each other.

OTHER DISCLOSURES

Disclosure in relation to recommendations made by the Committees of the Board

During the year under review, there were no recommendations made by any Committee of the Board that were mandatorily required and not 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 crores#

Particulars	Mukund M. Chitale & Co.("MMC")	Deloitte Haskins & Sells("DHS")	Total fees for FY2023
Statutory Audit	0.58*	0.85	1.43
Other permissible Services	0.17**	0.15	0.32
Reimbursement of expenses	0.01	0.03	0.04
Total	**0.76**	**1.03**	**1.79**

The above amounts are inclusive of GST.

* Includes ₹ 0.08 crores paid by Mahindra Insurance Brokers Limited ("MIBL"), subsidiary of the Company to MMC, towards Statutory Audit fees for FY2023.

** Includes ₹ 0.05 crores paid by MIBL to MMC towards other services during FY2023.

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//investors/disclosures-reg-46-62/corporate-governance#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 sensitised regarding issues of sexual harassment, the Company conducts an online Induction Training through the learning platform M-Drona (Internal Training App).

The following is a summary of Sexual Harassment complaint(s) received and disposed off during FY2023, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during the year - 1

b) Number of complaint(s) disposed off during the year - 1

c) Number of cases pending as at 31st March 2023- 0

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 joinees as a part of induction module.
- An online e-learning module for employees on Prevention of Sexual Harassment covering the topics on Sexual Harassment, process of filing complaints, dealing with sexual harassment, etc. is developed for training all the employees. **83%** of the employees have completed this training.
- **ICC training conducted** for all ICC members - 1 session.
- POSH sensitisation training conducted for HR team - **5 sessions**.

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.

33rd ANNUAL GENERAL MEETING

Day and Date	: Friday, 28th July 2023
Time	: 3.30 P.M (IST)
Mode of AGM	: Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
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	: Sunday, 23rd July 2023 (9.00 am IST)
Remote E-voting ends	: Thursday, 27th July 2023 (5.00 pm IST)
E-voting at AGM	: Friday, 28th July 2023

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 2023 - End of July 2023
- Half-year ending 30th September 2023 - End of October 2023
- Quarter ending 31st December 2023 - End of January 2024
- Year ending 31st March 2024 - End of April 2024

Note: The above dates are indicative.

Dates of Book Closure

Book Closure for Dividend will be from Saturday, 22nd July 2023 to Friday, 28th July 2023, both days inclusive.

Dividend Payment

A dividend of ₹ 6.00 per Equity Share (300%) on the face value of ₹ 2 each, would be paid after 28th July 2023, subject to approval by Shareholders at the ensuing AGM.

Registered Office

Gateway Building, Apollo Bunder, Mumbai - 400 001.

Listing Details

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 have been paid in full to both the Stock Exchanges.

Demat ISIN in NSDL and CDSL for Equity Shares : INE774D01024

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 Company has paid the requisite listing fees for FY2024 in full.

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.

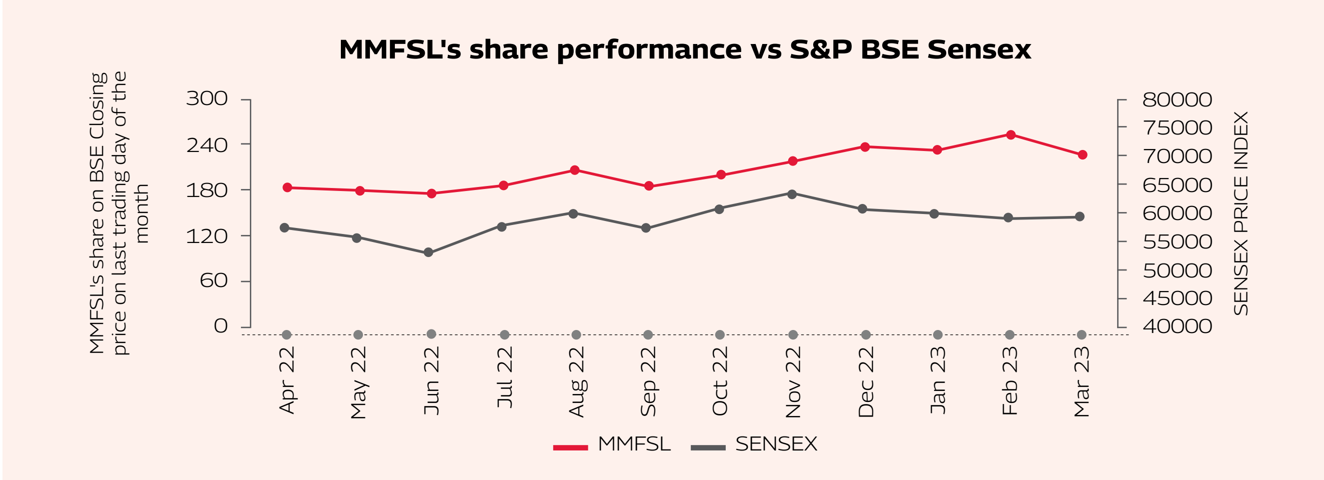
Debenture Trustee:

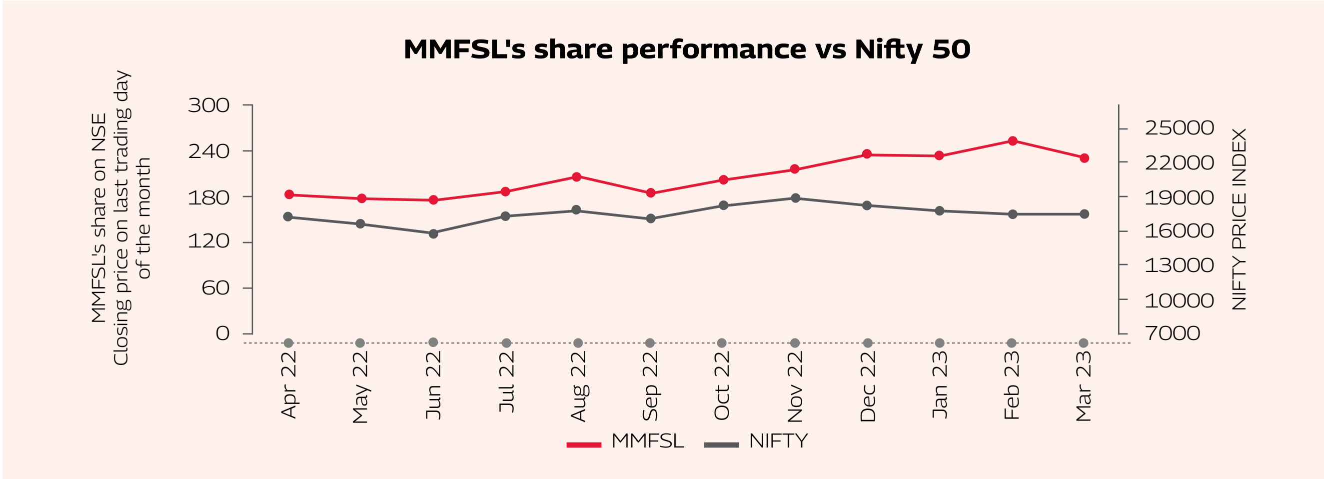
Pursuant to Regulation 53 of the Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed NCDs and public NCDs are given in the table at the end of this report.

These details are also available on the website of the Company at the web-link: https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-information.

Monthly High and Low of Company's Shares for the FY2023 at BSE and NSE

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	191.00	158.25	191.10	158.55
May 2022	190.50	160.60	190.55	160.60
June 2022	189.95	164.10	190.00	164.00
July 2022	212.70	171.05	212.50	171.05
August 2022	207.65	185.00	207.30	185.00
September 2022	235.00	176.30	235.10	176.10
October 2022	218.85	178.90	218.90	178.65
November 2022	225.15	191.20	225.25	191.20
December 2022	243.60	215.00	243.40	215.40
January 2023	247.05	222.00	247.00	222.90
February 2023	272.00	225.85	272.00	226.00
March 2023	260.05	215.70	260.25	215.65

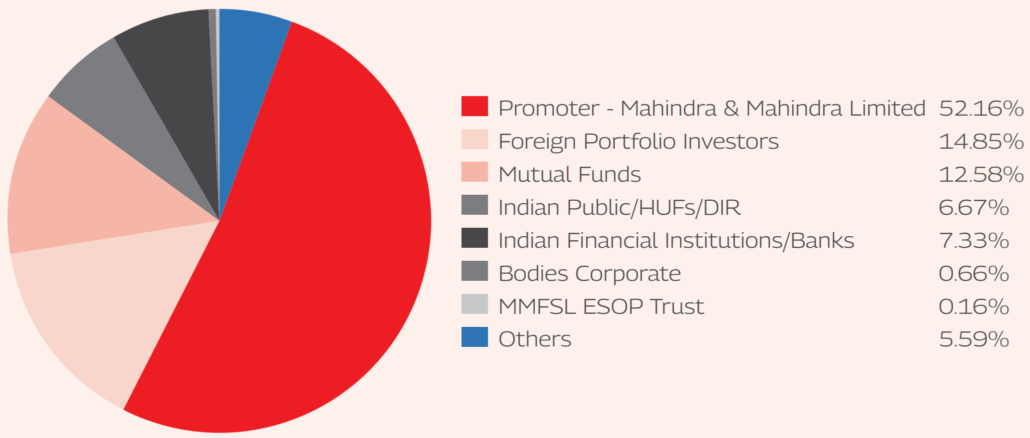




Distribution of Shareholding

Distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on 31st March 2023.

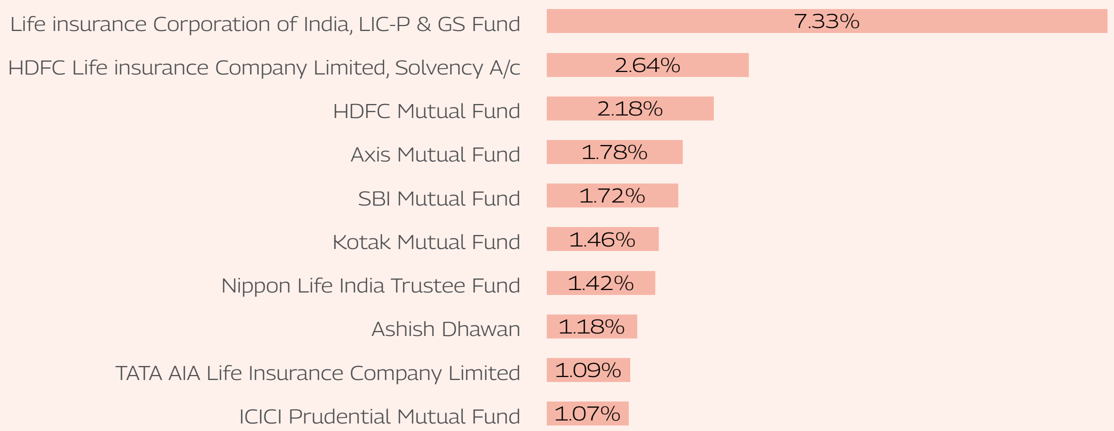
Shareholding pattern by ownership as on 31st March 2023



Shareholding pattern by size as on 31st March 2023

No. of Shares held	Number of Shareholders	Total No. of Shares held	% of Shareholding
1-500	1,70,897	1,39,81,998	1.13
501-1000	8,189	61,40,715	0.50
1001-5000	5,755	1,17,29,125	0.95
5001-10000	619	43,78,389	0.35
10001-20000	263	37,24,826	0.30
20001 and above	542	1,19,55,74,867	96.77
Total	**1,86,265**	**1,23,55,29,920**	**100.00**

Shareholding (other than promoter and promoter group) holding, PAN clubbed, more than 1% as on 31st March 2023:



Pledge of Equity Shares

No pledge has been created over the equity shares held by the Promoter of the Company as on 31st March 2023. 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 FY2023 in respect of the shares held by them in the Company. The said declaration was noted by the Audit Committee.

Dematerialisation of Shares and Liquidity

As on 31st March 2023, 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 2023			As on 31st March 2022		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Dematerialised	1,86,243	1,23,54,11,985	99.99	2,50,648	1,23,52,96,795	99.98
Physical	22	1,17,935	0.01	30	2,33,125	0.02
Total	**1,86,265**	**1,23,55,29,920**	**100**	**2,50,678**	**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 dematerialised 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 2022	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 2023	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 2023*	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 FY2023.

Details of Dividend remitted to IEPF during the year:

Financial Year	Date of dividend declaration	Amount transferred to IEPF (₹)	Date of transfer to IEPF
2014-15	24th July 2015	7,19,604	13th September 2022

Details of Shares transferred/ credited to IEPF

During FY2023, the Company transferred 13,578 Equity Shares to IEPF Authority corresponding to unclaimed dividend for the year 2014-15. The IEPF Authority holds 84,165 Equity Shares in the Company as on 31st March 2023.

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 2018	65,442
Transferred to IEPF during the FY2019	3,310
Less : Claimed by the Shareholder(s) during FY2019	175
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**

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//investors/disclosures-reg-46-62/corporate-governance#MMFSL .

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//investors/disclosures-reg-46-62/corporate-governance#MMFSL

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March 2023 on the Company's website at the web-link: https://www.mahindrafinance.com//investors/disclosures-reg-46-62/corporate-governance#MMFSL and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

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 2023)
2015-16	22nd July 2016	22nd August 2023 to 20th September 2023	8,01,220.00
2016-17	24th July 2017	24th August 2024 to 22nd September 2024	6,81,499.20
2017-18	27th July 2018	27th August 2025 to 25th September2025	15,19,736.00
2018-19	23rd July 2019	23rd August 2026 to 21st September 2026	15,13,843.50
2019-20	No Dividend was declared.		
2020-21	26th July 2021	26th August 2028 to 24th September 2028	5,21,777.20
2021-22	28th July 2022	28th August 2029 to 26th September 2029	9,35,304.60

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 amendment of the Finance Act, 2023, TDS is applicable under Section 193 of the Income-tax Act, 1961 w.e.f. 1st April 2023 on 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, to determine 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 2023, the Company did not have any outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments.

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 pre-determined 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 2023 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 2023 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.

Rating Agency	Type of Instrument	Rating*	Remarks
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

* During FY2023, India Ratings & Research Private Limited assigned IND/AAA Stable rating to the Company's Fixed Deposits; CRISIL upgraded the Company's Long Term Rating from "CRISIL AA+/Stable" to "CRISIL AAA/Stable" and also assigned "CRISIL AAA/Stable" ratings to its Fixed Deposit Programme and Non-Convertible Debentures. Further, the other ratings were re-affirmed by the Rating Agencies. With the above rating affirmations, your Company continues to enjoy the highest level of rating from all major rating agencies at the same time.

The details of Credit Rating are available on the website at

https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-information#credit-rating

Locations/Offices

The Company has vast reach through 1386 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 FY2023. 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 certificates have been issued on a half-yearly 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 FY2023 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 FY2023 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 FY2023 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.

Investor Services Web-based Query Redressal System

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Shareholder Satisfaction Survey form available in the Investor Relations Tab on the website of the Company at the web link: https://www.mahindrafinance.com/survey-form/survey-form

Contact details at a glance

Company's Address for Correspondence

Mahindra Towers, 'A Wing', 4th Floor,
P. K. Kurne Chowk, Worli,
Mumbai - 400 018.
Tel.: +91 22 6652 6000
Fax: +91 22 2497 2741
Email Id: investorhelpline_mmfsl@mahindra.com

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

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

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 - 4325 3000
Email : debenturetrustee@axistrustee.co.in

Date: 28th April 2023

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, Ramesh Iyer, Vice-Chairman & Managing Director 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 2023.

For **Mahindra & Mahindra Financial Services Limited**

Ramesh Iyer
Vice-Chairman & Managing Director
DIN: 00220759

Place : Mumbai
Date : 28th April 2023

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 400001

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, 2023, 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 ("SEBI Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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: F005533E000218482

Date: 28th April 2023
Place: Mumbai

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 and 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 and 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 Companies 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 2023.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company/ Date of re-appointment (dd/mm/yyyy)
1.	Dr. Anish Shah	02719429	18th March 2016
2.	Mr. Dhananjay Mungale	00007563	24th July 2019
3.	Ms. Rama Bijapurkar	00001835	24th July 2019
4.	Mr. Chandrashekhar Bhave	00059856	3rd February 2020
5.	Mr. Amit Kumar Sinha	09127387	23rd April 2021
6.	Mr. Milind Sarwate	00109854	1st April 2019
7.	Dr. Rebecca Nugent	09033085	5th March 2021
8.	Mr. Ramesh Iyer	00220759	30th April 2001
9.	Mr. Diwakar Gupta[2]	01274552	1st January 2023
10.	Mr. Siddhartha Mohanty[3]	08058830	1st April 2022

Notes:

1. Mr. Amit Raje ceased to be Whole-time Director and Key Managerial Personnel of the Company w.e.f. 28th July 2022.
2. Mr. Diwakar Gupta was appointed as Independent Director w.e.f. 1st January 2023.
3. Mr. Siddhartha Mohanty was appointed as Non- Executive and Non- Independent Director w.e.f. 1st April 2022, liable to retire by rotation.

For **Makarand M. Joshi & Co.**
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533; CP: 3662
PR: 640/2019
UDIN: F005533E000222222

Date: 28th April 2023
Place: Mumbai

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity-** L65921MH1991PLC059642
2. **Name of the Listed Entity-** MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED (MMFSL)
3. **Year of incorporation-** 1991
4. **Registered office address-** Gateway Building, Apollo Bunder, Mumbai, 400001 India
5. **Corporate address-** Mahindra Towers, 4th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400018 India
6. **E-mail-** investorhelpline_mmfsl@mahindra.com / FERNANDES.LESTER@mahindra.com
7. **Telephone-** +91 22 66526000
8. **Website-** www.mahindrafinance.com
9. **Financial year for which reporting is being done-** FY2023
10. **Name of the Stock Exchange(s) where shares are listed-** BSE Limited, National Stock Exchange of India Limited
11. **Paid-up Capital-** 247.10 crore
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**

Particulars	Details
Name	Atul Joshi
Designation	Chief HR & Administration
Contact No.	022 66526029
Email	joshi.atul@mahindra.com
In case of any BRSR query	FERNANDES.LESTER@mahindra.com

13. **Reporting boundary -** This reporting boundary covers all the 1386 branches of Mahindra & Mahindra Financial Services Ltd Pan India.

II. Products/services

14. **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

15. **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	78.53

III. Operations

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices
National	Not Applicable	1,386 offices as on 31st March 2023
International	Not Applicable	The Company operates through its Joint Venture (JV) company Mahindra Finance USA LLC, in United States and through its subsidiary company Mahindra Ideal Finance Limited, in Sri Lanka.

17. **Markets served by the entity:**

a. **Number of locations**

Locations	Number
National (No. of States)	27
Union Territories	7
International (No. of Countries)	2

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- The Company provides wide range of financing, investment and insurance solutions to Rural and semi urban customers. The company serves customers from different sectors intending to purchase vehicles.**

IV. Employees

18. **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)	26,329	25,354	96%	975	4%
2.	Other than Permanent (E)	1,328	1,266	95%	62	5%
3.	**Total employees (D+E)**	**27,657**	**26,611**	**96%**	**1037**	**4%**
Workers						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	**Total workers (F+G)**					

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)	106	52	49%	54	51%
2.	Other than Permanent (E)	Nil				
3.	**Total differently abled employees (D+E)**	**106**	**52**	**49%**	**54**	**51%**
Differently abled workers						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	**Total workers (F+G)**					

19. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel	3	1	33%

20. **Turnover rate for permanent employees and workers**

	FY2023			FY2022			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.08%	18.81%	19.94%	18.85%	16.98%	18.77%	12.26%	11.17%	12.22%
Permanent Workers				Not Applicable					

Holding, Subsidiary and Associate Companies (including joint ventures)

21. (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 and Mahindra limited	Holding	52.16	No
2	Mahindra Insurance Brokers Limited	Subsidiary	80.00	No
3	Mahindra Rural Housing Finance Limited	Subsidiary	98.43	No
4	Mahindra Manulife Investment Management Private Limited	Subsidiary	51.00	No
5	Mahindra Manulife Trustee Private Limited	Subsidiary	51.00	No
6	Mahindra Finance CSR Foundation	Subsidiary	100	No
7	Mahindra Ideal Finance Limited	Subsidiary	58.20	No
8	Mahindra Finance USA LLC	Subsidiary	49.00	No

V. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)- Yes

(i) Turnover (in ₹): 11,056.09 crores

(ii) Net worth (in ₹): 17,088.91 crores

V. Transparency and Disclosures Compliances

23. 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, then provide web-link for grievance redress policy)	FY2023 Current Financial Year			FY2022 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/media/392520/9-whistle-blower-policy.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes https://www.mahindrafinance.com/media/392520/9-whistle-blower-policy.pdf Mahindra Finance Fair Practice Code	2	0	-	3	0	-
Shareholders	Yes https://www.mahindrafinance.com/media/392520/9-whistle-blower-policy.pdf Mahindra Finance Fair Practice Code	3	0	-	8	1	Complaint on non-receipt of Dividend was received on 30th March 2022 which was satisfactorily resolved on 4th April 2022
Employees and workers	Yes https://www.mahindrafinance.com/media/392520/9-whistle-blower-policy.pdf human-rights-policy.pdf (mahindrafinance.com) https://www.mahindrafinance.com/media/125150/10-code-of-conduct-for-senior-management-and-employees.pdf	0	0	-	0	0	-
Customers	Yes https://www.mahindrafinance.com/media/392520/9-whistle-blower-policy.pdf Mahindra Finance Fair Practice Code	16,549	158	-	19,050	179	-
Value Chain Partners	Yes https://www.mahindrafinance.com/media/392520/9-whistle-blower-policy.pdf https://www.mahindrafinance.com/media/124187/mmfsl-suppliers-coc.pdf Mahindra Finance Fair Practice Code	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-

24. 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

S. 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	Digitisation	Opportunity	The demand for and acceptance of digital transactions is increasing due to low-cost internet data, high Smartphone penetration and India's Biometric identity card.	The Company has consistently invested in technology and built a robust digital environment in the organisation to ensure minimum use of paper-based transactions and communications.	Positive: Cost efficiency Better customer reach & service through digital operations Increased penetration, reduced health hazard, reduction in collection cost and emissions.

S. 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)
2	Credit ratings	Risk & Opportunity	We believe that our strong credit rating improves access to capital at competitive rates, eventually helping us to fund the aspirations of rural India.	The company's conservative capital structures policies ensure that it always remain adequately capitalised. This approach ensures significant liquidity chest that can lead to absorbing potential risks without impacting the credit rating and debt servicing capability.	Positive- Credit ratings have an impact on operational and financial decisions along our value chain, from ensuring investor security to meeting our customers' needs.
3	Employee training and education	Opportunity	Employees are our brand ambassadors who carry forward the Company's mission of transforming rural lives and driving positive change in the communities.	The company has accordingly placed great emphasis on employee learning and development, mentoring and knowledge sharing through various initiatives and structured programmes.	Positive: We have implemented several initiatives and programme to enhance their skills and competencies to help them in their journey of personal and professional progress.
4	Climate change & Governance	Risk & Opportunity	Minimising our environmental impact and building operational resilience to the effects of climate change on our business and the communities we serve	The company has taken targets on: Maintaining declining trend in CO2 emissions per employee (tons of CO2eq) per employee Increase the tree plantation with focus on survival rate Financing M&M Electric vehicles	Positive: Drives better risk management and value creation. Negative: Impact on Company's ESG rating and Investors Confidence.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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 each principle and its 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**

   BRSR Policy- https://www.mahindrafinance.com/media/393197/brsr-policy-1.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

4. **Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**

   During the formulation of MMFSL policies and processes, the company reviews and includes references of Acts, Regulations & Guidelines. Our recently released Business Responsibility & Sustainability Reporting Policy has been formed in adherence to the National Guidelines on Responsible Business Conduct (NGRBC), based on the 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 Indian Companies' Act 2013. We are also a signatory to the UNGC Principles signed by our VC & MD. We also follow the GRI Standards and IIRC framework while reporting on our 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 FY2023 across ESG parameters. We in the current financial year have also committed and signed up for the UNGC principles. We have committed and in the current financial year submitted our targets to SBTi for validation.

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 Sustainability Roadmap for FY2023 across ESG parameters and we ensure that these are implemented, monitored, and achieved in the planned time frames. Please refer our ESG performance in our Integrated Report.

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

   Mahindra & Mahindra Financial Services Ltd. endeavors to enable rural prosperity and enhance semi-urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

   ESG is the need of the hour for all businesses and we, at Mahindra Finance, are constantly working towards safeguarding a better tomorrow for all our stakeholders. We align our performance by evaluating outcomes from the ESG roadmap developed with the three pillars of Environment, Social and Governance for long-term value creation.

   We also depend on the engagement and motivation of our workforce to create sustainable and long-term growth of the organisation. We strive for inclusive growth with an ambition to create a more equal world. Despite headwinds, we uphold the interests of our investors and shareholders ensuring consistent and sustainable returns.

   Having a pan-India presence through remote areas spanning 1300+ branches, we are continuously making efforts to minimise our environmental impact. Reducing dependency on natural resources, addressing climate change and achieving sustainable economic development are all strategically factored in our business model with a vision to be carbon neutral in the near future. 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).**

   Mr. Ramesh Iyer (Vice Chairman & Managing Director Mahindra Finance, President Financial Service Sector, Member of Group Executive Board)

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.**

   The Board CSR Committee is responsible for implementation of the Policies. The Committee comprises of three Directors, out of which two are Independent Directors and one is the Managing Director. The board reviews the progress of initiatives under the purview of business responsibility and periodically assesses the ESG performance of the Company.

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against Above policies and follow up action	Relevant policies of the Company are reviewed half yearly. The necessary changes to policies and procedures are implemented accordingly.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the applicable statutory requirements. We have constituted various Board level committees that meets periodically to review and monitor objectives.																	

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.

P1	P2	P3	P 4	P 5	P 6	P 7	P 8	P 9
Yes.								

Our Integrated Annual Report is assured by third party according to AA1000AS standards and based on GRI Reporting Standards framework and also mapped in accordance to UN SDG's and National Voluntary Guideline Principles. It is also aligned to IIRC framework. Bureau Veritas evaluated the working of policies and procedures according to the GRI standards.

The policies are reviewed on a periodical basis by the respective departments, and updated accordingly. The updated policies with changes are placed for approval, as applicable.

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)									

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 the BRSR principles are covered through the training programs. - Ethics - Employee wellbeing - Human Rights - Environment - Inclusive growth & Equitable Development - Value for consumers - Stakeholder Engagement	100%
Key Managerial Personnel	4		100%
Employees other than BoD and KMPs	40		90.56%
Workers	Not Applicable		

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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine				NIL	
Settlement				NIL	
Compounding fee				NIL	

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL	
Punishment			NIL	

Note: During FY2023, there were no material actions taken against the Company.

For details of orders passed against the Company, please refer Note No. 53. VII (b) of Standalone Financial Statements.

3. Of the instances disclosed 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
N.A	N.A

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 act professionally and fairly in all its business dealings, Relationships, Implementation and enforcing effective systems to counter bribery and corruption in any form.

ABAC Policy- https://www.mahindrafinance.com/media/394859/abac-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:

	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY2023 (Current Financial Year)		FY2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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.

N.A

Leadership Indicators

1. Awareness programmes conducted for value chain partners 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
Workers	1	All 9 principles of BRSR were covered: - Ethics - Employee wellbeing - Human Rights - Environment - Inclusive growth & Equitable Development - Value for consumers - Stakeholder - Regulatory reporting	87%

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 in relation to conflict of interest. The Company has a separate Code of Conduct ('CoC') for Board, Senior Management and Employees which provides 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 said CoC requires them to not engage in any material business relationship or activity, which conflicts with their duties towards the Company.

Code of Conduct for Board- COC_Directors.pdf (mahindrafinance.com)

Code of Conduct for Senior Management & Employees- 10-code-of-conduct-for-senior-management-and-employees.pdf (mahindrafinance.com)

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	40%	61%	Procurement of 5 star inverter split AC's, super efficient BLDC fans for reducing energy consumption, replacement of lights with LEDs across all branch offices and procurement of energy efficient IT assets.

Given the nature of MMFSL's business, Capex Investment is largely focused on procurement of Energy efficient appliances like 5 star Inverter Ac's, LED's & BLDC fans and also capex was incurred towards IT hardware and software to facilitate the enhanced digital initiatives of the company. Greater adoption of digital platforms not only brings in increased efficiencies of operations but also ensures significant reduction in consumption of paper.

2. a. *Does the entity have procedures in place for sustainable sourcing? (Yes/No)*

MMFSL provides financial services across India in different verticals. We do not consume any raw material in our operations. Business activities are limited to providing financial solutions to serve the needs of the people with a focus on rural and semi urban areas of India. However, MMFSL nurtures a culture of conservation of resources and encourages innovation. The company focuses on operational excellence by reducing the dependence on natural resource and reducing environmental footprint.

b. *If yes, what percentage of inputs was sourced sustainably?*

40% in FY2023

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 Loans & Investments options and not a product manufacturing company. Being a responsible organisation, during the year we have recycled 17+ tones of paper and 59+ tones 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

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?

Mahindra& Mahindra Financial Services Limited is engaged in the business of providing various types of loans e.g. Vehicles, SMEs and Personal Loans. The lifecycle of loan begins with Loan origination, applicant's acceptance credential investigation, loan processing, approval, disbursement, and repayment and customer assistance services. The detailed process is highlighted below.

Loan Origination: Loans are sourced through various online and offline methods and through various affiliated channel partners. Majority of the loans especially for Vehicles are sourced through various Vehicle dealer showrooms, for other loans through a network of partners which includes firms, individuals and online initiatives.

Loan Approval Process: Eligibility check- For loans sourced directly through MMFSL, this may include a set of KYC documents, income proof, income statements, residential proof, 7/12 land papers and Credit Bureau Scores.

Field investigation: Verification of documents is conducted through online verification and if required supplemented by field investigation at nearest branch. Digital Process and Video KYC is adopted on need basis. Addressing channel partner enquiries by adopting mix of both the processes to provide confidence in credit underwriting.

Appraisal: Based on Bureau Score, field investigation process and overall assessment credit underwriting process is complete and a Loan to Value ratio and loan tenure is finalised. Special cases are referred to higher offices for approval and decision based on appraisal document. Use of digital technologies and digital information transmission throughout the journey has helped speed up the appraisal process, reduce paper consumption, visits to customer location and reduce communication time within the organisation and to our customers.

Disbursement: Sanction letter in the vernacular language to be issued to all borrowers whose loan have been sanctioned after due diligence. Disbursement process is initiated after approval of the loan and verification of requisite documents.

Repayment and Closure: This can be broadly classified as normal repayment, closure and early closure. After a loan is fully repaid, pre-paid, all documents collected at the time of appraisal including mortgage release letter is handed over to the customer indicating that all dues are fully repaid.

Deposits: Mahindra Finance is also a Deposit taking NBFC. The deposit lifecycle begins with sourcing from the customer or through channel partners. All KYC checks and customer information are collected and reviewed to ensure compliance and regulations. Deposit Certificates are issued to customers on timely basis. Regular communication regarding their deposit i.e. maturity, renewal, withdrawal is sent to customers. The customers have access to online platform to access all information related to their deposits.

Customer Grievance redressal: As a good governance practice, a Report on Customer Grievance Redressal pertaining to grievances/ complaints received from the Company's customers is maintained. Company's Email address/Call center/toll-free support for grievance redressal and other relevant details is provided. Employees engaged in customer complaint and resolution ensure that all such complaints are handled and responded satisfactorily & in Confidentiality manner within a prescribed TAT. Dissatisfaction with solutions provided can be escalated to nominated persons as provided on the website and details are also provided over call center support. Post resolution of the complaint, the customer will get a mail/sms confirming the resolution of the complaint.

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		

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	
	FY2023 Current Financial Year	FY2022 Previous Financial Year
Not Applicable		

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:

	FY2023 Current Financial Year			FY2022 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	0.0149	-	-	0.124	-
E-waste	-	59.51	-	-	39	-
Hazardous waste	-	-	-	-	-	-
Other waste (paper & metal waste)	-	17.5	-	-	5	-

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
NIL	NIL

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. *Details of measures for the well-being of employees:*

Category	Total (A)	% of employees covered by									
		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	25,354	25,354	100	25,354	100	N.A		25,354	100	0	0%
Female	975	975	100	975	100	975	100	N.A			
Total	**26,329**	**26,329**		**26,329**		**975**		**25,354**			
Other than Permanent employees											
Male	1,266	Off role employees at Mahindra Finance are covered under ESIC scheme.									
Female	62										
Total	**1,328**										

b. *Details of measures for the well-being of workers:*

Category	Total (A)	% of workers covered by									
		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	Not Applicable										
Female											
Total											
Other than Permanent workers											
Male	Not Applicable										
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2023 Current Financial Year			FY2022 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	N.A	Y	100	N.A	Y
Gratuity	100		Y	100		Y
ESI	53.39		Y	50.58		Y

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, to the best of our ability and wherever possible, our offices are accessible to differently-abled employees. Being future ready we consider the following opening/shifting of branches.

1. Preference for ground floor.
2. Feasibility of creating ramps & railings in ground floor branches.
3. PWD friendly washrooms.
4. Branch layouts are being designed considering the easy access/ passage for PWDs (Wherever feasible).

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 strongly endorses the right of equal opportunity for associates who are differently-abled. We commit to carrying out the provisions of the Rights of Persons with Disabilities Act, 2016 (Act) in letter and spirit including providing specific opportunities in identified positions where they could be employed.

https://www.mahindrafinance.com/media/393196/human-rights-policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate (%)	Retention rate (%)	Return to work rate (%)	Retention rate
Male	99.59	74.20	NIL	NIL
Female	50.00	63.08		
Total	**96.35**	**72.13**		

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	Yes
Permanent Employees	
Other than Permanent Employees	NA

The company has Insaaf Policy on its internal portal with an objective to provide standardised policy for free, fair & time bound closure of disciplinary issues. All stakeholders can raise grievances with the Corporate Ombudsman, by either sending an e-mail to grievanceredressal_mmfsl@mahindra.com or reporting verbally on telephone no. 022 6652 6006.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023			FY2022		
	Total employees in respective category (A)	No. of employees in respective category, who are part of association(s)or Union (B)	% (B/A)	Total employees in respective category (C)	No. of employees 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						

8. Details of training given to employees and workers:

Category	FY2023					FY2022				
	Total (A)	On Health and safety measures		On Skill up gradation		Total (A)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	25,354	11,600	45.75	22,940	90	19,199	3,428	17.14	16,524	86.06
Female	975	200	20.51	904	93	799			765	95.74
Total	**26,329**	**11,800**	**44.82**	**23,844**	**91**	**19,998**			**17,289**	**86.45**
Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY2023 Current Financial Year			FY2022 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	25,354	22,542	89	17,112	16,481	96
Female	975	847	87	724	651	90
Total	**26,329**	**23,389**	**89**	**17,835**	**17,132**	**96**
Workers						
Male	Not Applicable					
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?*

At MMFSL, Occupational Health and Safety Management system (OHSMS) has been developed to improve performance & reduce work-related accidents.

Coverage:

1) Emergency Response planning for branches
2) Incident Reporting and Investigation system at branches
3) Hazard Identification and risk assessment for fire, electrical safety and other aspects at branches
4) Safety Training at MMFSL branches
5) Implementation of control measures at branches
6) Safety review meeting

b. *What are the processes used to identify work-related hazards and assess risks on routine and non-routine basis by the entity?*

At MMFSL, we have developed Risk Assessment template as per Central Safety council guidelines to identify work related hazards and assess risks for routine and non routine activities.

c. *Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)*

Yes, we have Incident reporting and investigation process to report work related hazards.

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	FY2023 Current Financial Year	FY2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.001	2.26
	Workers	NA	NA
Total Recordable work-related injuries	Employees	1	7
	Workers	NA	NA
No. of fatalities	Employees	Nil	2
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

We have taken following measures to ensure safe and healthy work place:-

1) Risk assessment of branches.
2) Strengthening of Safety equipment at branches.
3) Safety committee meeting for addressing H&S risk at branches.
4) Conduct fire safety training and mock drill periodically.
5) Safety Advisories on workplace safety through MMFSL world for awareness to employees.
6) Safety inspection at offices during branch visit to address risk and implementation of suggested control measures.

13. Number of Complaints on the following made by employees and workers:

	FY2023 (Current Financial Year)			FY2022 (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	Nil			Nil		
Health & Safety						

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	58
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.

In order to make our branches safer for our employees we have initiated:

- Fire alarm panel
- Fire rated doors
- Fire retardant Interior finishing
- Electrical insulating rubber mat
- Fire extinguishers, directional signage
- Electric leakage circuit breakers (ELCB)
- Conducting Safety training & mock drills
- Installing CCTV in all the branches.
- Ziman Safety app for branch accountant, cashiers and women employees.
- Health & safety advisory to prevent incidents.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

(A) Employees (Y/N)

(B) Workers (Y/N).

A. 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. 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	
	FY2023	FY2022	FY2023	FY2022
Employees	Nil	Nil	Nil	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 started pre safety evaluation for 2 vendors on safety aspect to assess the safety maturity of vendors.
Working Conditions	

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

Nil

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 are a valuable part of our journey to success and growth story. Our actions are in many ways connected to their progress and well-being. Overcoming various hurdles and hardships during crisis situations, we have managed to strengthen our mutual trust and remained aligned to our collective aspirations to our business growth as well as the society at large. Through robust engagement process, we address stakeholders' concerns; maintain transparency of our current and future plans while creating shared value. Mahindra Finance engages with the stakeholders round the year, to maintain healthy, trust-based relationships with them. The team connects with a diverse range of stakeholders through formal and informal mechanisms for their inputs in the materiality assessment process.

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 & Marginalised 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)	Purpose and scope of engagement including key Topics and concerns raised During such engagement
Community	Yes	Website, Emails, SMS, Community engagement initiatives Social Media.	Ongoing & Need based	A harmonious relationship with the communities where we operate is key to our social license to continue operations.
Employees	No	Employee engagement activities, Trainings, Email notifications, Website, Employee portals, Talent Mgt and growth opportunities platforms.	Ongoing & Need based	Our employees are at the centre of all our operations; their collaborative skill and expertise are essential for our growth.
Customers	No	Customer meets, Dealer/OEM events	Ongoing, weekly, monthly	Customer feedback, or as we call it, the Voice of Customer, is key to process improvements, quality enhancement, service performance and cost optimisation.
Regulators	No	Qtr/Annual compliance reports, continued engagement and representation	Need based	Key for ensuring compliance, interpretation of regulations and uninterrupted operations.
Shareholders/ Investors	No	Newspaper, notices, press releases, website, Stock exchange announcements, AGM, Integrated Report, BRR	Qtr & need based	As providers of capital, they are key to our growth and expansion plans.
Dealers/OEMs	No	Dealer portal formal mechanism, events	Ongoing	Key for providing enhanced purchase experience along with best after sales service.
Lenders	No	AGM, Qtr and Annual Results	Qtr & 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 closely linked with the timely availability and services that we source, which in turn, have a material impact on the efficiency of our service delivery.

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.**

   Periodic discussion of the Board and its committees with the management and the concerned departments help us identify critical stakeholder concerns and align our priorities with their expectations. The Stakeholder Relationship Committee of the Board provides guidance and oversees the mechanism for addressing grievances and complaints from stakeholders and aligning Stakeholder priorities with the business strategy. The committee also reviews the Environmental, Social and Governance obligations of the company towards the stakeholders.

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 the feedback received through continued engagement with stakeholders into our policies & practices. We have prioritised our Identified key material issues accordingly and incorporated in our ESG roadmap development. Their inputs help us in making strategic and operational decisions for promoting climate resilience.

3. **Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalised stakeholder groups.**

   Feedback received from the local communities by way of direct engagement and third-party impact assessments helps align the orientation of our CSR interventions with the future needs and expectations of the local communities and society at large.

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	FY2023 Current Financial Year			FY2022 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	26329	23517	89.32%	19998	4153	20.8%
Other than permanent	1328	24	1.8%	NA	NA	NA
Total Employees	**27657**	**23547**	**85.11%**	**19998**	**4153**	**20.8%**
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY2023 Current Financial Year					FY2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (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)
Permanent Employees	26,329	-	-	26,329	100	19,998	-	-	19,998	100
Male	25,354	-	-	25,354	100	19,199	-	-	19,199	100
Female	975	-	-	975	100	799	-	-	799	100
Other Than Permanent Employees	1,328	1,328	100	-	-	1,101	841	100	-	-
Male	1,266	1,266	100	-	-	1,058	828	100	-	-
Female	62	62	100	-	-	43	13	100	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Cr)	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	5	0.47	2	0.41
Key Managerial Personnel	2	4.82	1	1.03
Employees other than BOD and KMP	25,352	0.037	974	0.045
Workers	Not Applicable			

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 addressing human rights which can 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 values of the Company. The Company strives to support, protect, and promote human rights to ensure fair and ethical business and employment practices are followed. There are committees and policies formed to handle grievances and complaints related to human rights issues and the details are placed on the intranet of the Company. The Company has zero tolerance towards and prohibits all forms of child labour, slavery, forced labour, physical, sexual, psychological, or verbal abuse.

Stakeholders can raise concerns that relate to actual or suspected violations of the Code of Ethical Business Conduct, including human rights issues and address the complaints / concerns to the corporate ombudsman either by sending an e-mail to grievanceredressal_mmfsl@mahindra.com or verbally on telephone no. 022 6652 6006. The detailed process is explained in the publicly available policy.
https://www.mahindrafinance.com/media/393196/human-rights-policy.pdf
https://www.mahindrafinance.com/media/124475/whistle-blower-policy.pdf

6. Number of Complaints on the following made by employees and workers:

	FY2023 Current Financial Year			FY2022 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	01	0	The allegation was not substantiated. No action taken	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously without fear of retaliation, along with mechanism to consult on issues through the explicit means provided by Human Rights Statement, Disciplinary Action Committee reviews, Whistle Blower and Vigil Mechanism policies. Mahindra Finance aims to provide a safe working environment and prohibits any form of discrimination/ harassment or related retaliation against or by any associate. We have policies which intend to prohibit such occurrences and ensure that there are no adverse consequences when an employee reports a complaint on discrimination or harassment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, The company has designed Code of Conduct and exclusion list for all the value chain partners stating Mahindra Finance will not engage in any financing activities where there are activities causing human rights violation. Also the suppliers code of conduct requires all the suppliers to mandatorily provide self declaration stating that their businesses will not engage in any sought of activities leading to Human Rights & Environmental violations.
https://www.mahindrafinance.com/media/124187/mmfsl-suppliers-coc.pdf
exclusion_list_17_06_2019.pdf (mahindrafinance.com)

9. 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	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

1. **Child labour:** Mahindra Finance do not employee child labour. All the employees employed by Mahindra Finance are no less than 18 years of age as per the employee database.
2. **Forced/involuntary labour:** Mahindra Finance do not employee forced / involuntary labour.
3. **Sexual harassment:** Mahindra Finance has a gender neutral Policy on Prevention of Sexual Harassment applicable to all persons associated with or visiting the company at any of its locations. Internal Committees are constituted at the Head office and 5 circles, covering PAN India locations, representing members from different functions, for timely reporting and providing speedy resolution of sexual harassment cases in an unbiased and time bound manner.
4. **Discrimination at workplace:** Mahindra finance never discriminate or treat employees or job applicants unfairly and are committed to provide equal opportunity in employment. No decisions to be 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 abide by the Code of Conduct.
5. **Wages:** All the employees of Mahindra Finance are paid salary as per the applicable statutes.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

We have not received any human rights complaint in this year. We have a method of continuously Monitoring and ensuring human rights are upheld in the organisation. We work on various Compliance policies like code of conduct, Prevention of sexual harassment, Fair Practices Code etc as part of our learning and development endeavours. We continuously ensure that employees are undergoing this training, for building awareness, sensitisation through an annual certification methodology.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

We are creating a Due diligence process in FY2024, which will consist of cross functional team members who would be trained on a particular template. This will help us in Checking and ensuring Compliances on aspects of human rights and regulations. We conduct regular internal assessments to track if there is any adverse human rights impact on our stakeholders.

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 and we are also making necessary changes while opening new/shifting of existing branches like:

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 in for our value chain partners starting from FY2024, which will consist of different department team members who would be trained on conducting value chain partners human rights assessments. This will help us in Checking and ensuring Compliances on aspects of human rights and regulations for Value chain partners. Apart from that we have mandated all our suppliers to sing 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	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Total electricity consumption (A)	81,323.42GJ	57,854.49GJ
Total fuel consumption (B)	31,138.90GJ	20,689.97GJ
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	**112462.32 GJ**	**78544.49 GJ**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0 .00000102 GJ/ per INR turnover	0 .000000808 GJ/ per INR turnover
Energy intensity (optional) – the relevant metric may be selected by the entity	4.3 GJ per employee	3.9 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- Bureau Veritas

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 legislations related to energy efficiency are followed across all branches for potential energy saving through measures like installation/replacement of energy efficient electrical fittings like LED's, 5 star rated AC's and BLDC motor fans.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,33,559	1,70,024
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**2,33,559**	**1,70,024**
Total volume of water consumption (in kilolitres)	**2,33,559**	**1,70,024**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000211 KL/ per INR turnover	0.00000175 KL/ per INR turnover
Water intensity (optional) – the relevant metric may be selected by the entity	8.87 KL per employee	8.50 KL per employee

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency- Bureau Veritas

4. 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.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
NOx	g/kW-hr	0.275	-
SOx		-	-
Particulate matter (PM)	g/kW-hr	0.113	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
SO2	g/kW-hr	0.048	-
Non Methane Hydrocarbon	g/kW-hr	0.121	-
Carbon Monoxide	g/kW-hr	0.1422	-

We have initiated DG Stack Emission Testing for 10 Location with highest Diesel consumption in FY2023. We shall gradually increase the number of location in FY2024.

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- Equinox Labs.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tones of CO_2 equivalent	2,008.10Tones	1,306.90Tones
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tones of CO_2 equivalent	16,038 .78 Tones	12,695 .84 Tones
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tones/ turnover	0.000000163 Tones/per INR turnover	0.000000144 Tones/per INR turnover
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Tones Co_2e/ Employee	0.69	0.70

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- Bureau Veritas

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, there are ongoing projects like installation of energy efficient electric fitting in new and existing branches to reduce the environmental footprint.

- LED lights replaced in 1137 branches in place of CFL lights
- Installation of higher efficiency air conditioners i.e- old 3-star fixed speed ACs were replaced with 5-star inverter split ACs at 223 branches, resulting in a total of 9,58,638 kWh electricity being saved
- Replaced conventional fans with efficient BLDC fans at 19 branches.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.0149	0.124
E-waste (B)	59.51	39
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	Not Applicable	Not Applicable
Battery waste (E)	Not Applicable	Not Applicable
Radioactive waste (F)	Not Applicable	Not Applicable
Other Hazardous waste. Please specify, if any. (G)	Not Applicable	Not Applicable
Other Non-hazardous waste generated (H). Please specify, if any. Paper (Break-up by composition i.e. by materials relevant to the sector)	17.5	5.6
Total (A+B+C+D+E+F+G + H)	**77.01**	**44.9**
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	76.51	44.9
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**76.51**	**44.9**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling	Not Applicable	Not Applicable
(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- Bureau Veritas

9. 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.

Being into financial service sector, the company does not generate any hazardous and toxic chemicals waste. As a part of our waste management practice, the company recycles its E-waste and paper based waste every year through government registered vendors and the same is validated by external agency.

10. 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		

11. 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					

*Mahindra & Mahindra Financial Services Ltd is a service provider. The company provides Lending & Fixed Deposit services with focus on Semi Rural & Rural regions of India and so Environmental Impact Assessment is not applicable.

12. 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 there under (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. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY2023 (Current Financial Year)	FY2022 (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)	81,323.42GJ	57,854.49GJ
Total fuel consumption (E)	31,138.90GJ	20,689.97GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**1,12,462.32 GJ**	**78544.49 GJ**

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- Bureau Veritas

2. Provide the following details related to water discharged:

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Taking the nature of business into consideration, the Company's usage of water is restricted to human consumption purposes only. Efforts have been made that water is consumed judiciously in the office premises by measures like installing aerator taps in the offices.	
- No treatment		
- 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- Bureau Veritas

3. 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 format:

Parameter	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	Not Applicable
(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	Not Applicable	Not Applicable
- 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- Bureau Veritas

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2023	FY2022
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	15,625 .54 Tonnes	821 .54 Tonnes
Total Scope 3 emissions per rupee of turnover		0.000000141 Tco_2e per INR turnover	0.00000000845 Tco_2e per INR turnover
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Tones Emission per employee	0.59 tonnes/ per employee	0.041 tonnes/ 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- Bureau Veritas

5. With respect to the ecologically sensitive areas reported at Question 10 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

6. 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:

In FY2023 the company invested in replacing old electrical fittings like Normal lights to LED's across 1137 branches, 3 star Rated Ac's to 5 star rated inverter Ac's across and Normal fans to energy efficient BLDC fans across 75 branches which resulted in savings of electricity consumption from grid.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The entity has an Emergency Response control plan which also covers disaster management plan. We are in the process of developing Business continuity plan.

8. 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 regards.

We constantly engage with our value chain partners. We have in the reporting year conducted BRSR capacity building workshop for our value chain partners through best practices and concerns on environmental aspects. We have not experienced any significant adverse impact to the environment arising from our value chain.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

In FY2023 we have revised our supplier's code of conduct which also requires all the suppliers to mandatorily provide self declaration stating that their businesses will not engage in any sought of activities leading to Human Rights & Environmental violations however we have initiated capacity building of value chain partners on environmental impacts.

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 affiliated with many trade and industry chambers/ associations to ensure a collaborative environment that helps us to access knowledge, build a network, improve our reputation, advertise, educate, market, and lobby the government for policy changes that helps business and the 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.*

S. 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	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Confederation of Indian Industry (CII)	National
4	Bombay Chamber of Commerce and Industry	National
5	IITB-Washington University	International
6	IMC Chamber of Commerce & Industry	National
7	Assocham	National
8	United Nations Global Compact Network	International

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
No material instances reported		

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 our stakeholders to advance public policies of interest to us and the financial services industry. Our stakeholder groups form the cornerstones of our growth story, and our existence is connected to their progress and well-being in various ways. Despite hardships during crisis situations, we managed to strengthen our mutual trust and remained aligned to our collective aspirations through meaningful advocacy and deliberations at forums. Through robust engagement processes and mechanisms, we Endeavour to create shared value for the long-term. Our efforts towards building a strategic and proactive dialogue by advocating our thoughts on established platforms of association enables us to gain deeper insights into our business drivers as well as the needs of society. This has helped us improve our internal processes, capitalise 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.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Swabhimaan	Not applicable	Not applicable	Yes	YES	https://www.mahindrafinance.com/media/392625/impact-evaluation-of-covid-19-resposne.pdf
Covid 19 Relief Project	Not applicable	Not applicable	Yes	Impact Assessments completed in FY2023 have been communicated in Public Domain via website and award applications.	The Impact Assessment for eligible projects as per CSR rules have been commissioned. The reports are expected by June 2023
Nanhi Kali	Not applicable	Not applicable	Yes		
Mahindra Pride School	Not applicable	Not applicable	Yes		
Women Economic Empowerment	Not applicable	Not applicable	Yes		

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.**

All the complaints/grievances can be raised with the Corporate Ombudsman, by either sending an e-mail to grievanceredressal.mmfsl@mahindra.com or reporting verbally on telephone no. 022 6652 6006. The complete process of raising such concerns is detailed in these policies.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY2023	FY2022
Directly sourced from MSMEs/ small producers	5.77	8.2
Sourced directly from within the district and neighboring districts	100	100

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
Nil- No negative social impacts identified	

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	7,40,370
2	Andhra Pradesh	Vizianagaram	3,74,440
3	Andhra Pradesh	YSR (Kadapa)	1,10,630
4	Andhra Pradesh	Visakhapatnam	19,68,750
5	Andhra Pradesh	Vizianagaram	31,250
6	Andhra Pradesh	Kadapa	5,44,287
7	Andhra Pradesh	Visakhapatnam	35,02,731
8	Andhra Pradesh	Vizianagaram	1,42,920
9	Assam	Darrang	1,852
10	Bihar	Banka	12,778
11	Bihar	Jamui	12,778
12	Bihar	Muzaffarpur	20,95,592
13	Bihar	Sheikhpura	25,556
14	Bihar	Muzaffarpur	12,42,561
15	Bihar	Banka	1,852
16	Bihar	Begusarai	84,561
17	Bihar	Katihar	98,853
18	Bihar	Muzaffarpur	2,00,088
19	Bihar	Sitamarhi	1,05,999
20	Jharkhand	Bokaro	12,778
21	Jharkhand	Dumka	20,95,592
22	Jharkhand	Godda	25,556
23	Jharkhand	Gumla	2,93,894
24	Jharkhand	Khunti	63,890
25	Jharkhand	Latehar	1,02,224
26	Jharkhand	Lohardaga	89,446
27	Jharkhand	Pakur	1,78,892
28	Jharkhand	Ramgarh	12,778
29	Jharkhand	Ranchi	15,46,138
30	Jharkhand	Simdega	63,890
31	Jharkhand	West Singhbhum	15,20,582
32	Jharkhand	East Singhbhum	1,03,617
33	Jharkhand	Giridih	48,831
34	Jharkhand	Ramgarh	1,25,055
35	Jharkhand	Ranchi	7,97,970
36	Jharkhand	Simdega	34,539
37	Karnataka	Raichur	1,38,156
38	Karnataka	Yadgir	1,34,583
39	Kerala	Wayanad	51,060
40	Kerala	Wayanad	1,02,426
41	Maharashtra	Washim	1,852
42	Maharashtra	Nandurbar	41,514
43	Maharashtra	Osmanabad	29,47,494
44	Maharashtra	Washim	3,146
45	Odisha	Dhenkanal	1,852
46	Odisha	Balangir	34,539
47	Odisha	Dhenkanal	77,415
48	Punjab	Moga	44,54,340
49	Punjab	Moga	98,01,225
50	Tamil Nadu	Ramanathapuram	13,354
51	Tamil Nadu	Ramanathapuram	25,530
52	Tamil Nadu	Virudhunagar	25,530
53	Uttar Pradesh	Fatehpur	12,778
54	Uttar Pradesh	Fatehpur	1,108
55	Uttar Pradesh	Shravasti	53,09,478
56	Uttar Pradesh	Sonbhadra	34,539
57	Uttar Pradesh	Shravasti	1,34,87,400
58	Uttar Pradesh	Balrampur	8,621
59	Uttar Pradesh	Chandauli	17,242
60	Uttar Pradesh	Chitrakoot	8,621
61	Uttar Pradesh	Siddharthnagar	25,863
62	Uttarakhand	Haridwar	10,33,764
63	Uttarakhand	Haridwar	9,75,000
64	Uttarakhand	Udham Singh nagar	6,500
65	Uttarakhand	Haridwar	20,247
66	Uttarakhand	Haridwar	94,831

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

(b) From which marginalised /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

MMFSL being a financial service provider, the entity does not have any major procurement for its services. However, it is the endeavor of Mahindra Finance to procure locally, sustainably and from marginalised / vulnerable suppliers, MSME's for requirements in areas like branch assets. We give preference to local suppliers of goods and services to help create economic opportunities locally.

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 benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Swabhimaan- Financial & Digital Awareness	1,42,091	100
2	Swabhimaan-Scholarship for Driver's Children	7,066	100
3	Swabhimaan-Road Safety Training for Drivers	7,857	100
4	Swabhimaan-Drivers Training for Freshers	3,122	100
5	Swabhimaan-Auto Mechanic Training	2,330	100
6	Nanhi Kali	14,033	100
7	Mahindra Pride Classroom	62,971	100
8	Women Empowerment Projects	2,591	100
9	Disaster Management	2,228	100
10	Skill Development for People with Disability (PwDs)	256	100
11	Swachh Bharat Initiatives	3,622	100
12	Samantar- Visit to Orphanage/Old Age	516	100
13	Gyandeep- Visit to Municipal Schools	3,000	100
14	Sehat- Health Camps	1,920	100
15	ESG- Water conservation	2,450	100
16	Mahindra Hariyali- Tree Plantation	454	100

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.

Customers can call us on a dedicated toll-free number, they can write to us on an dedicated email id or reach out to us on our social handles. There is a Complaint Register maintained at each branch for recording customer Complaint. All complaints received on the above channels are registered on Service Portal and assigned to respective teams/ SPOCs for resolution. Once the complaint gets closed, feedback is taken in the form of an SMS.

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	Not Applicable
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:

	FY2023		Remarks	FY2022		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	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	43	37	-	-	-	-
Unfair Trade Practices	299	262	-	217	187	-
Other	337	309	-	198	25	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
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

http://bitswebpublic.mahindrafs.com/email/23/June/6/MMFSL-&-its-Subsidiary-ISMS-Information-Security-Management-Syste-Framework-v1.2.pdf

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.

There were no issues identifies and thus no corrective actions taken.

Leadership Indicator

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:
Website: https://www.mahindrafinance.com/
Company's Mobile applications - Mahindra Finance App on Play store and Apple store
Call centre @ 1800 233 1234
Mahindra Finance Branches

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Various steps taken to Educate customers on responsible usage of services are through multi language SMSs, IVRs, videos, in app notifications. The Company also complies with all disclosure requirements relating to its services, as per SEBI guidelines on product/ services labeling within risk and disclosure categories.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We have robust mechanism in place for sending out communication to consumers regarding any risk of disruption or discontinuation of essential services. Depending on the magnitude of the issue various modes of communication are explored and utilised. Both, digital and offline mediums of communication are used for consumer information. Primary modes include letters to consumers, information through our branch network, information dissemination via sms, e-mails, websites, mobile applications and social media handles. In case the magnitude of risk is high, online and offline advertising mediums are also explored and used for reaching out to masses.

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. 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 Company displays its services information on the over and above what is mandated as per local laws information through brochures, leaflets and website. Information related to our products is displayed/ available at all our branches. Product information is also available on our Website.

   Customers can also access information related to their loans on our Mobile App.

   We conduct Market Research from time to time to understand the pulse of our customers, their satisfaction with our products & services as well as grievances. Few of the Research Projects that we undertake are:

   - Monthly Net Promoter Score (NPS) for our customers
   - UI/UX Research for our Website & Apps
   - Customised Research for our Products & Services

5. **Provide the following information relating to data breaches:**

   a. *Number of instances of data breaches along-with impact*

      No data privacy and Cyber security breaches from info-sec perspective.

   b. *Percentage of data breaches involving personally identifiable information of customers:*

      No data privacy breaches involving personally identifiable information from info-sec perspective.

INDEPENDENT BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR) ASSURANCE STATEMENT

"Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement for Mahindra & Mahindra Financial Services Limited"

for

Reporting Period:

1st April 2022 – 31st March 2023

Bureau Veritas (India) Private Limited

72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.

INDEPENDENT BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR) ASSURANCE STATEMENT

"Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement for

Mahindra & Mahindra Financial Services Limited"

for

Reporting Period:

1st April 2022 – 31st March 2023

BUREAU VERITAS

Bureau Veritas (India) Private Limited

72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2, Andheri (East) Mumbai-400 093 India.

BUREAU VERITAS

Independent Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement

Introduction and Objective of Work

BUREAU VERITAS (INDIA) PRIVATE LIMITED (hereinafter abbreviated as BVIPL) has been engaged by the **MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED** (hereinafter abbreviated "MMFSL")for the reporting period from 01.04.2022 to 31.03.2023 based on Business responsibility and Sustainability Reporting (hereinafter abbreviated as "BRSR") which is a part of its annual report as per SEBI circular (SEBI/HO/CFD/CMD-2/P/CIR/2021/562) dated 10th May 2021).

On site assessments were conducted for this assurance for MMFSL at three locations Maninagar Branch site, Ahmedabad (16th March 2023 for 0.5 assessment day), Ahmedabad RO site, Ahmedabad 16th March 2023 for 0.5 assessment day, Corporate office at Worli, Mumbai (19th April 2023 for 1 assessment day) and Corporate office at Worli, Mumbai on 26th April 2023 for 2 assessment days.

Intended User

The intended user of this assurance statement is the MMFSL. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

Scope, Boundary and Limitations of assurance

Independent assurance has been provided for selected BRSR performance disclosures as presented in the BRSR Report. The reporting boundary included data and information for the period 01.04.2022 to 31.03.2023 for MMFSL, based on BRSR framework.

The assurance included verification of the sample data and information on selected material topics reported by MMFSL.

The Scope of BRSR Assurance includes:

- An assessment of the methods used for data collection and reporting for the selected BRSR performance indicators.
- Testing of such systems, including related internal controls.
- Testing, on a sample basis, of evidence supporting the data.
- Verification of the sample data and information on selected material topics reported by MMFSL for the defined reporting period.
- Assessment of the consistency between the data for the selected BRSR Principle's performance indicators and the related written comments in the narrative of the Report
- The Company's compliance to legal obligations/disclosures
- The General and topic specific disclosures subject to assurance
- Completion of assurance statement for inclusion in the report, which will reflect the verification findings and conclusion.

Independent Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement

BVIPL scope has not considered the below data as a part of BRSR assurance:

- Information apart from the defined reporting period and boundary
- Compliance to any legal issue related to the authority except environmental and social aspects.
- Any of the statement related to company aspect or reputation.

The reported information on General Disclosures, Management and Process Disclosures and Principle Wise Performance Disclosure:

Section A: General Disclosures

- Details of listed company
- Products/Services
- Operations
- Employees
- Holding, Subsidiary and Associate Companies (including joint ventures)
- CSR Details
- Transparency and Disclosures Compliances

Section B: Management and Process Disclosures

- Policy and management processes, Governance, leadership and oversight

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
- Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe
- Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains
- Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders
- Principle 5: Businesses should respect and promote human rights
- Principle 6: Businesses should respect and make efforts to protect and restore the environment
- Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- Principle 8: Businesses should promote inclusive growth and equitable development
- Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Independent Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement

Methodology adopted for Assurance of Quantitative data Published in BRSR report

BVIPL BRSR assurance process involve specified procedures to obtain evidence about the reliability of the data provided from the identity. The nature, timing and extent of procedures selected depend on the data and evidence provided, including the verification of the associated risks with the material topics of the selected BRSR principles disclosures and their relevance. While assessing the associated risks, internal strategy is being considered during preparation of the report to design the assurance procedure and validating their appropriateness to the possible extent.

As per the scope of the assurance, sample evidence, information and explanations that were considered necessary in relation to the assurance scope were considered and accordingly conclusions have been made as mentioned below:

- Understanding the appropriateness of various assumptions used for estimation of data by MMFSL.
- Reviewing the Report to ensure that there is no misrepresentation of disclosures in accordance with BRSR 9 Principles as per scope of assurance and findings.
- Reviewing the materiality matrix and stakeholder engagement framework deployed at MMFSL.
- Assessing the systems used for data compilation and reporting on the basis of Universal Disclosures and Topic Specific Disclosures of material topics as listed in the assurance scope above.
- Verifying systems and procedures used for quantification, collation and analysis of BRSR Principles performance disclosures included in the Report.
- Assessing the month wise data considering the similarity, reliability and accuracy
- Verifying select key performance data through the data provided by MMFSL:
  - Testing reliability and accuracy of data on a sample basis
  - Assessing stakeholder engagement process and approach to stakeholder engagement regarding the key topics and concerns raised as defined in the report.
  - Limited review of the materiality assessment process based on the information provided.
  - Reviewing the processes deployed for collection, compilation and reporting of BRSR Principles performance disclosures.

Sample data were collected in order to support BVIPL conclusions on the verified information and data. However, limited available information and details is reviewed during the assurance of MMFSL.

Conclusions

BRSR report of MMFSL is reviewed based on the scope of the assurance. It is concluded that information presented in MMFSL BRSR Report in accordance with BRSR standards is proper, adequate and maintained in line with the material topics considered for the reporting. The report is found to be with a "Reasonable" level of assurance.

Responsibilities

The assurance statement is made solely for "MMFSL" as per the governing contractual terms and conditions of the assurance engagement contract between "MMFSL" and BVIPL. To the extent that the law permits, BVIPL owe no responsibility and do not accept any liability to any other party other than

Independent Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement

"MMFSL" for the work BVIPL have performed for this assurance report or for our conclusions stated in the paragraph below.

BVIPL shall not be held liable or responsible for any type of decision a person or entity would make based on this assurance statement. While reading the assurance statement, stakeholders shall recognize and accept the limitation and scope as mentioned above.

Exclusions and Limitations

Excluded from the scope of work is any assurance of information relating to:

- Activities outside the defined assurance period stated hereinabove .
- Positional statements, expressions of opinion, belief, aim or future intention by "MMFSL" and statements of future commitment;
- The assurance does not extend to the activities and operations of "MMFSL" outside of the scope and geographical boundaries mentioned in the BRSR report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with "MMFSL".
- The assurance of the economic and financial performance data of MMFSL is based only on the audited annual reports of MMFSL and our conclusions rely entirely upon that audited report.

Limitations of the assessment work undertaken:

The limitations are provided by BVIPL, as observations- with actionable points and priority, to MMFSL in a separate Management Letter. These however do not affect our conclusion regarding the report

Uncertainty

The reliability of assurance is subject to uncertainty (ies) that are inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions or data conversion factors used or may be present in the estimation of data used to arrive at results. The conclusions in respect of this assurance are naturally subject to any inherent uncertainty (ies) involved in the assurance process.

Statement of independence, impartiality, and competence

BVIPL is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 190 years history in providing independent assurance services.

BVIPL has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

Independent Business Responsibility and Sustainability Reporting (BRSR) Assurance Statement

No member of the assurance team has a business relationship with "MMFSL", its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of BVIPL standard methodology for the assurance of BRSR Report.

Bureau Veritas (India) Private Limited
72 Business Park, 9th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2,
Andheri (East) Mumbai-400 093 India.

Aanandkrishna Akilla
Lead Assurer

Sanjay Patankar
Technical Reviewer

Date: 17/06/2023
Place: Mumbai, India

Independent Auditors' 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 2023, 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 then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, 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 specified under section 143(10) of the Act (SAs). 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.

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 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹ 79,454.73 crore (net of allowance of expected credit loss ₹ 3,287.83 crore) constituting approximately 83% 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 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;	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. Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors. 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 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;
	• 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), 7 and 49.2 to the Standalone Financial Statements)	• 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 overlays and adjustments to the output of the ECL Model. 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; • evaluating the adequacy of the adjustment made to the output as per the ECL Model to ensure that the adjustment was in conformity with the policy approved by the Audit Committee of the Company.
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 financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of our auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do 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 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 material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement 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 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 management either intends to liquidate The Company's or to cease operations, or has no realistic alternative but to do so.

Those 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 control 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 system in respect of 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 in the standalone financial statements 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 control 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.

    c. The standalone 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 relevant 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 31 March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over standalone financial statements reporting 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 over financial reporting.

g. 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.

h. 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, 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 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, whether, 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 it's 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, whether, 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; and

(c) Based on the audit procedures that has 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 with respect to previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act, as applicable. As stated in Note no. 23(ii) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of the dividend proposed is in accordance with the section 123 of the Act, as applicable.

vi. Proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

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: 23014054BGSXGQ6278)

Place: Mumbai
Date: 28th April 2023

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJP9315)

Place: Mumbai
Date: 28th April 2023

Annexure "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) 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 31st March 2023, in conjunction with our audit of the Standalone 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 based on the internal control with reference to Standalone Financial Statements 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 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.

Auditors' 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. 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 Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls 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 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 Controls 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 system with reference to Standalone Financial Statements and such Internal Financial Controls with reference to Standalone Financial Statements were operating effectively as at 31st March 2023, based on the criteria for Internal Financial Controls with reference to Standalone Financial Statements established by the respective 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: 23014054BGSXGQ6278)

Place: Mumbai
Date: 28th April 2023

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJP9315)

Place: Mumbai
Date: 28th April 2023

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 2023)

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. 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 31st March 2023 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, at points of time during the year, 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 31st March 2023, aggregating ₹ 3,717.10 crore were categorised as credit impaired ("Stage 3") and ₹ 4,928.18 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 62 to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at 31st March 2023 aggregating ₹ 74,124.59 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 ₹ 7,391.24 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 2023. 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 31st March 2023 is ₹ 1,721 crore. Reasonable steps are been 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 guaranty 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 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 no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues in arrears as at 31st March 2023, for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Value Added Tax and Service Tax Act which have not been deposited as on 31st March 2023, on account of disputes are given below:

₹ in crores

Name of the statute	Nature of dues	Amount Involved	Amount Unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	71.26	71.26	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	1.24	April 2008- October 2013	Andhra Pradesh High Court
Madhya Pradesh VAT	Value Added Tax	0.09	0.06	FY 2013-14; 2014-15; 2015-16; 2016-17	Appellate Authority of Commercial Taxes, Bhopal
Maharashtra VAT	Value Added Tax	5.24	0.87	2010-11	Maharashtra Sales Tax Tribunal
Maharashtra VAT	Value Added Tax	38.26	7.08	FY 2011-12; 2012-13; 2013-14; 2014-15; 2015-16	Dy Comm. of Sales Tax (Appeal)
Rajasthan VAT	Value Added Tax	1.16	-	FY 2007-2013; 2013-14; 2014-15	Supreme Court
Maharashtra-Service Tax	Service Tax	86.92	85.24	FY 2008-2015	CESTAT, Mumbai

(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, 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) To the best of our knowledge, no material fraud on the Company and no fraud by the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors and upto the date of this report.

(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, etc., 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 more than one CIC as part of the group. There are 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 realisation 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Mukund M. Chitale & Co.
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 23014054BGSXGQ6278)

Place: Mumbai
Date: 28th April 2023

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJP9315)

Place: Mumbai
Date: 28th April 2023

Standalone Balance Sheet

as at 31st March 2023

₹ in crores

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	249.75	327.87
b) Bank balance other than (a) above	4	2,582.31	3,822.82
c) Derivative financial instruments	5	-	26.63
d) Receivables			
- Trade receivables	6	21.84	9.09
e) Loans	7	79,454.73	60,444.64
f) Investments	8	9,988.62	8,440.27
g) Other financial assets	9	1,589.28	223.13
		93,886.53	**73,294.45**
Non-financial Assets			
a) Current tax assets (Net)		504.36	462.40
b) Deferred tax assets (Net)	10 (i)	637.24	836.42
c) Property, plant and equipment	11	681.20	383.10
d) Other Intangible assets	12	14.35	9.77
e) Other non-financial assets	13	492.87	302.59
		2,330.02	**1,994.28**
Total Assets		**96,216.55**	**75,288.73**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	180.70	182.22
b) Payables	15		
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		1,126.57	954.88
II) Other payables			
i) total outstanding dues of micro enterprises and small enterprises		2.62	3.53
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		37.12	46.87
c) Debt securities	16	24,745.07	18,252.71
d) Borrowings (Other than debt securities)	17	41,234.06	26,005.17
e) Deposits	18	5,524.60	8,426.19
f) Subordinated liabilities	19	3,442.13	3,129.85
g) Other financial liabilities	20	2,384.28	2,316.17
		78,677.15	**59,317.59**
Non-Financial Liabilities			
a) Current tax liabilities (net)		65.67	13.92
b) Provisions	21	260.74	221.35
c) Other non-financial liabilities	22	124.08	107.78
		450.49	**343.05**
EQUITY	23		
a) Equity share capital		246.72	246.60
b) Other equity		16,842.19	15,381.49
		17,088.91	**15,628.09**
Total Liabilities and Equity		**96,216.55**	**75,288.73**

The accompanying notes form an integral part of the Standalone financial statements. 1 to 65

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Standalone Statement of Profit and Loss

for the year ended 31st March 2023

₹ in crores

Particulars	Note	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations			
i) Interest income	24	10,682.57	9,475.61
ii) Dividend income		-	-
iii) Rental income		72.68	26.31
iv) Fees and commission income	25	167.96	105.29
v) Net gain on fair value changes	26	5.59	50.76
I Total revenue from operations		**10,928.80**	**9,657.97**
II Other income	27	127.29	60.83
III Total income (I+II)		**11,056.09**	**9,718.80**
Expenses			
i) Finance costs	28	4,576.72	3,920.18
ii) Fees and commission expense		80.24	44.91
iii) Impairment on financial instruments	29	999.23	2,368.30
iv) Employee benefits expenses	30	1,584.27	1,171.40
v) Depreciation, amortisation and impairment	31	187.23	126.83
vi) Others expenses	32	875.82	730.27
IV Total expenses		**8,303.51**	**8,361.89**
V Profit before exceptional items and tax (III-IV)		**2,752.58**	**1,356.91**
VI Exceptional items	33	(54.51)	-
VII Profit before tax (V+VI)		2,698.07	1,356.91
VIII Tax expense:	10 (ii)		
(i) Current tax		486.28	348.16
(ii) Deferred tax		227.47	20.00
		713.75	**368.16**
IX Profit for the year (VII-VIII)		**1,984.32**	**988.75**
X Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(17.27)	(3.10)
- Net gain / (loss) on equity instruments through OCI		-	26.01
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	4.35	(5.77)
Subtotal (A)		**(12.92)**	**17.14**
(B) (i) Items that will be reclassified to profit or loss			
- Net gain / (loss) on debt instruments through OCI		(88.82)	0.70
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(6.34)	-
(ii) Income tax relating to items that will be reclassified to profit or loss	10 (iii)	23.95	(0.18)
Subtotal (B)		**(71.20)**	**0.52**
Other Comprehensive Income (A+B)		**(84.12)**	**17.67**
XI Total Comprehensive Income for the year (IX+X)		**1,900.20**	**1,006.42**
XII Earnings per equity share (face value ₹ 2/- per equity share)	34		
Basic (Rupees)		16.09	8.02
Diluted (Rupees)		16.08	8.01

The accompanying notes form an integral part of the Standalone financial statements. 1 to 65

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Statement of Changes in Equity for Standalone Financial Statements
for the year ended 31st March 2023

A. Equity share capital

₹ in crores

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1st April 2021	**246.40**
Changes due to prior period errors	-
Restated balance as at 1st April 2021	246.40
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.20
Balance as at 31st March 2022	**246.60**
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**

B. Other Equity

₹ in crores

Particulars	Reserves and Surplus									
	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	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Effective portion of cash flow hedges	Total
Balance as at 1st April 2021	**1,935.35**	**50.00**	**7,137.14**	**797.29**	**42.76**	**4,558.40**	**(57.82)**	**1.99**	**-**	**14,465.11**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	1,935.35	50.00	7,137.14	797.29	42.76	4,558.40	(57.82)	1.99	-	14,465.11
Profit/(loss) for the year	-	-	-	-	-	988.75	-	-	-	988.75
Other Comprehensive Income / (loss)	-	-	-	-	-	(2.32)	0.52	19.47	-	17.67
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**986.43**	**0.52**	**19.47**	**-**	**1,006.42**
Dividend paid on equity shares (including tax thereon)	-	-	-	-	-	(98.84)	-	-	-	(98.84)
Transfers to Securities premium on exercise of employee stock options	-	-	17.85	-	(17.85)	-	-	-	-	-
Securities premium on shares allotted to ESOP Trust through Rights Issue	-	-	2.30	-	-	-	-	-	-	2.30
Employee stock options expired	-	-	-	0.12	(0.12)	-	-	-	-	-
Share based payment expense	-	-	-	-	6.50	-	-	-	-	6.50
Transfers to Statutory reserves	198.00	-	-	-	-	(198.00)	-	-	-	-
Balance as at 31st March 2022	**2,133.35**	**50.00**	**7,157.29**	**797.41**	**31.29**	**5,247.99**	**(57.30)**	**21.46**	**-**	**15,381.49**

₹ in crores

Particulars	Reserves and Surplus									
	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	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Effective portion of cash flow hedges	Total
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 transfer of ESOP Shares to employees	-	-	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**

The accompanying notes 1 to 65 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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Statement of Standalone Cash Flows

for the year ended 31st March 2023

₹ in crores

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	2,752.58	1,356.91
	Adjustments for:		
	Depreciation, amortisation and impairment	187.23	126.83
	Impairment on financial instruments (excluding bad debts and write offs)	(1,214.13)	(144.77)
	Bad debts and write offs	2,213.36	2,513.07
	Interest expense	4,535.85	3,866.50
	Interest income from loans	(9,949.25)	(8,909.59)
	Interest income from other deposits with banks	(210.08)	(181.36)
	Net (Gain) / loss on fair value of derivative financial instruments	(10.77)	7.99
	Unrealised foreign exchange gain/loss	(96.85)	(90.38)
	Share based payments to employees	4.55	9.20
	Net gain on fair value changes	26.74	(11.70)
	Interest income on investments	(523.24)	(384.66)
	Dividend income	(4.12)	(2.47)
	Net gain on derecognition of property, plant and equipment	(2.89)	(1.27)
	Net (gain) / loss on sale of investments	(5.59)	64.80
	Operating profit / (loss) before working capital changes	**(2,296.61)**	**(1,780.90)**
	Adjustments for changes in working capital -		
	Loans	(21,125.42)	(4,610.88)
	Trade receivables	(11.71)	(0.43)
	Other financial assets	(129.52)	(8.92)
	Other financial liabilities	31.78	125.09
	Other non-financial assets	(107.16)	(11.08)
	Trade Payables	161.03	362.19
	Other non-financial liabilities	16.30	8.88
	Derivative financial instruments	35.88	0.14
	Provisions	21.87	4.35
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(23,403.57)**	**(5,911.56)**
	Interest paid	(4,668.87)	(4,234.25)
	Interest received from loans	11,063.93	10,654.89
	Cash generated from / (used in) operations	**(17,008.51)**	**509.08**
	Income taxes paid (net of refunds)	(476.49)	(509.40)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(17,485.00)**	**(0.32)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(362.55)	(275.45)
	Proceeds from sale of Property, plant and equipment	13.55	5.26
	Purchase of investments measured at amortised cost	(400.42)	(223.76)
	Proceeds from sale of investments measured at amortised cost	496.35	77.44
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	-	2,404.00
	Purchase of investments measured at FVOCI	(915.95)	(17.75)
	Proceeds from sale of investments measured at FVOCI	345.34	39.06
	Purchase of investments measured at FVTPL	(4,404.44)	(9,939.03)
	Proceeds from sale of investments measured at FVTPL	3,177.54	10,941.90
	Purchase of investments measured at cost	(0.00)	(33.99)
	Proceeds from / (Investments in) term deposits with banks (net)	(8.44)	(871.82)
	Dividend income received	4.12	2.47
	Interest received from other deposits with banks	221.59	128.74
	Interest income received on investments measured at amortised cost, FVOCI, FVTPL and at cost	512.64	375.78
	Change in Earmarked balances with banks	(0.02)	0.02
	NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B)	**(1,320.68)**	**2,612.88**

Statement of Standalone Cash Flows

for the year ended 31st March 2023

₹ in crores

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	16,501.95	6,425.50
	Repayment of borrowings through Debt Securities	(10,005.95)	(5,019.80)
	Proceeds from Borrowings (Other than Debt Securities)	33,521.08	39,444.31
	Repayment of Borrowings (Other than Debt Securities)	(18,362.66)	(42,505.96)
	Proceeds from borrowings through Subordinated Liabilities	380.00	132.91
	Repayment of borrowings through Subordinated Liabilities	(70.01)	(155.16)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	169.97	-
	Increase / (decrease) in Public deposits (net)	(2,905.23)	(1,034.09)
	Payments for principal portion of lease liability	(56.80)	(44.14)
	Dividend paid	(444.79)	(98.84)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**18,727.56**	**(2,855.27)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(78.12)**	**(242.71)**
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	**327.87**	**570.58**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**249.75**	**327.87**
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	32.91	40.58
	- Cheques and drafts on hand	17.65	36.30
	- Balances with banks in current accounts	199.19	250.99
	Total	**249.75**	**327.87**

Notes:

1) 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'.

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 SIGNIFICANT ACCOUNTING POLICIES

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 13 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 28 April 2023.

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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 segmentation 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 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 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 49).

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.

Estimates and judgements are continually evaluated and are based on historical experience and other factors,

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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 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 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) Estimation uncertainty relating to the global health pandemic from COVID-19 and current Macro-economic scenario:

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance during the prior years until the year ended 31st March 2022, though the pandemic's spread remains curtailed by the roll out of vaccines throughout the world and as a result the economies around the world have returned to normalcy which had a favourable impact on business and financial performance of the Company during the current financial year ended 31st March 2023.

Economic forecasts are still subject to a varied degree of uncertainty in the current environment which directly / indirectly linked to long lasting disruptions caused by outbreak of COVID-19. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:

- the selection and weightage of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic would occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario;
- estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

- the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays, if any) in relation to credit impairments and the impact of macro-economic risks on the credit environment, including those long lasting adverse impact arising from the COVID-19 pandemic, are continuously subjected to review throughout the year. The management focused on the key assumption, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their use was considered necessary, where applicable, during the financial year, and might likely to continue to be required in future reporting periods.

As a result of government and bank support / relief measures implemented during previous years, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied certain parameter driven adjustments to modelled outputs to reflect the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31st March 2023 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

vii) Going Concern:

Although COVID 19 has had an adverse impact on the functioning of the financial sector companies until the year ended 31st March 2022, the financial statements of the Company are prepared on a going concern basis for the year ended 31st March 2023.

Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future (refer note 49 and note 49.3).

2.6 Revenue recognition:

a) Recognition of interest income on loans:

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and 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 recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

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.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

e) Fees, charges and commission income:

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

f) Dividend and interest income on investments:

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- Interest income from investments is recognised 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 basis, by reference to the principal outstanding and at the effective interest rate applicable.

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 and the fair value of any other consideration issued, if any, to acquire the asset.

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 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.

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

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recognised 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.

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:

Investments in subsidiaries, associate and joint ventures are measured at cost less accumulated impairment, if any.

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).

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 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

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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 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) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

g) 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 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 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 profit or loss immediately, together with any changes in the fair value of the

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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.

h) Impairment of financial instruments:

Equity instruments are not subject to impairment under Ind AS 109.

The Company 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 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 49).

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 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 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.

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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 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 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.

i) Collateral repossessed:

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value.

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

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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.

j) 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.

d) Leave encashment / compensated absences / sick leave:

The Company 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 unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options:

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 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 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

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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.

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 Securities issue expenses:

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium.

2.16 Impairment of assets other than financial assets:

The Company reviews the carrying amounts of its tangible (including assets given on operating lease) and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the

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extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and the impairment loss is recognised in the Statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.17 Provisions and contingent liabilities:

Provisions are recognised when there is a present obligation 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.

2.18 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.

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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.

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 shorter of the lease term and useful life of the underlying asset.

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 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. 41.

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

2.19 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.20 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends, if any, for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.21 Dividend:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.22 New standards or amendments to the existing standards and other pronouncements:

Recent 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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements:

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes:

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 3

Cash and cash equivalents

₹ in crores

	31st March 2023	31st March 2022
Cash on hand	32.91	40.58
Cheques and drafts on hand	17.65	36.30
Balances with banks in current accounts	199.19	250.99
	249.75	**327.87**

Note : 4

Bank balances other than cash and cash equivalents

₹ in crores

Particulars	31st March 2023	31st March 2022
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.60	0.58
Term deposits with maturity less than 12 months -		
- Free	2,232.45	3,241.13
- Under lien #	243.01	471.19
Interest accrued on Term deposits	106.25	109.92
	2,582.31	**3,822.82**

#Details of Term deposits - Under lien

₹ in crores

Particulars	As at 31st March 2023			As at 31st March 2022		
	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 9)	Total	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 9)	Total
For Statutory Liquidity Ratio	100.00	-	100.00	135.00	100.00	235.00
For securitisation transactions	120.28	2.47	122.75	305.42	-	305.42
Legal deposits	0.21	-	0.21	0.21	-	0.21
For Constituent Subsidiary General Ledger (CSGL) account	20.90	10.00	30.90	30.00	-	30.00
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	1.62	-	1.62	0.56	1.00	1.56
Total	**243.01**	**12.47**	**255.48**	**471.19**	**101.00**	**572.19**

Note : 5

Derivative financial instruments

₹ in crores

	31st March 2023		31st March 2022	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
Currency derivatives:				
Options	-	-	645.01	26.63
Total derivative financial instruments	**-**	**-**	**645.01**	**26.63**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 6

Receivables

₹ in crores

Particulars	31st March 2023	31st March 2022
Trade receivables		
i) Secured, considered good		
- Lease rental receivable on operating lease transactions	6.85	3.36
Less: Impairment loss allowance	(4.67)	(2.14)
	2.18	**1.22**
ii) Unsecured, considered good:		
- Subvention and other income receivables	19.66	7.87
iii) Credit impaired:		
- Subvention and other income receivables	0.80	4.37
	0.80	**4.37**
Less: Impairment loss allowance	(0.80)	(4.37)
	-	**-**
	21.84	**9.09**

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 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 2023

As at 31st March 2022

₹ 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	8.87	-	-	-	-	8.87
- which have significant increase in credit risk	0.27	-	-	-	-	0.27
- credit impaired	1.24	4.63	0.45	-	0.14	6.46
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**10.38**	**4.63**	**0.45**	**-**	**0.14**	**15.60**

There is neither an instance where due date is not specified nor unbilled due.

Note : 7

Loans

₹ in crores

Particulars	31st March 2023	31st March 2022
A) Loans (at amortised cost):		
Term loans:		
- Retail loans	75,524.51	60,970.46
- Small and Medium Enterprise (SME) financing	3,481.07	1,196.15
Bills of exchange	975.61	944.33
Trade advances	2,540.42	1,807.42
Finance lease	220.95	26.82
Total (Gross)	**82,742.56**	**64,945.18**
Less: Impairment loss allowance	(3,287.83)	(4,500.54)
Total (Net)	**79,454.73**	**60,444.64**
B) i) Secured by tangible assets	77,784.42	61,088.34
ii) Secured by intangible assets	-	-
iii) Covered by bank / Government guarantees	319.16	493.49
iv) Unsecured	4,638.98	3,363.35
Total (Gross)	**82,742.56**	**64,945.18**
Less: Impairment loss allowance	(3,287.83)	(4,500.54)
Total (Net)	**79,454.73**	**60,444.64**
C) i) Loans in India		
a) Public Sector	-	-
b) Others	82,742.56	64,945.18
Total (Gross)	**82,742.56**	**64,945.18**
Less: Impairment loss allowance	(3,287.83)	(4,500.54)
Total (Net) - C (i)	**79,454.73**	**60,444.64**
ii) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (Net) - C (ii)	**-**	**-**
Total (Net) - C (i+ii)	**79,454.73**	**60,444.64**

Notes:

- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- Refer note no. 49 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 2023

Note : 8

Investments

₹ in crores

Investments	31st March 2023						31st March 2022					
	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	-	-	-	-	-	-		-	834.47	834.47	-	834.47
Government securities #	1,263.94	4,766.46		4,766.46		6,030.40	1,305.64	4,402.39	-	4,402.39	-	5,708.03
Debt securities -												
i) Investments in Pass Through Certificates under securitisation transactions	123.42	-	-	-	-	123.42	177.52	-	-	-	-	177.52
ii) Commercial Papers	-	-	94.12	94.12	-	94.12	-	-	-	-	-	-
iii) Certificate of deposits with banks	-		1,973.02	1,973.02		1,973.02			-	-		-
iv) Investment in Bonds #	25.97	351.43		351.43	-	377.40	26.10	260.45		260.45		286.55
v) 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)			0.06	0.06		0.06			0.24	0.24		0.24
Subsidiaries -												
i) Mahindra Insurance Brokers Limited (82,47,424 equity shares of face value of ₹ 10/- each)	-	-	-	-	0.45	0.45	-	-	-	-	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 -												
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 -												

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Investments

₹ in crores

Investments	31st March 2023						31st March 2022					
	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		
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
iii) 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	22.33	85.98	-	85.98		108.31	22.42	77.64	-	77.64	-	100.06
iii) Interest accrued on Bonds	0.06	8.86	-	8.86		8.92	0.06	6.80	-	6.80	-	6.86
iv) Interest accrued on Pass Through Certificates under securitisation transactions	0.39	-	-	-		0.39	0.08	-	-	-	-	0.08
Total - Gross (A)	**1,436.11**	**5,256.71**	**2,067.20**	**7,323.91**	**1,284.09**	**10,044.11**	**1,531.82**	**4,791.26**	**834.71**	**5,625.97**	**1,284.09**	**8,441.88**
i) Investments outside India	-	-	-	-	288.52	288.52	-	-	-	-	288.52	288.52
ii) Investments in India	1,436.11	5,256.71	2,067.20	7,323.91	995.57	9,755.59	1,531.82	4,791.26	834.71	5,625.97	995.57	8,153.36
Total - Gross (B)	**1,436.11**	**5,256.71**	**2,067.20**	**7,323.91**	**1,284.09**	**10,044.11**	**1,531.82**	**4,791.26**	**834.71**	**5,625.97**	**1,284.09**	**8,441.88**
Less: Allowance for Impairment loss (C)	0.98	-	-	-	54.51	55.49	1.61	-	-	-	-	1.61
Total - Net D (A-C)	**1,435.13**	**5,256.71**	**2,067.20**	**7,323.91**	**1,229.58**	**9,988.62**	**1,530.21**	**4,791.26**	**834.71**	**5,625.97**	**1,284.09**	**8,440.27**

The investments in Government securities for ₹ 1,263.94 crore (31st March 2022: ₹ 1,305.64 crore) and investments in Bonds for ₹ 25.97 crore (31st March 2022: ₹ 26.10 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 2023

Note : 9

Other financial assets

₹ in crores

	31st March 2023	31st March 2022
Security Deposits	61.52	32.33
Term deposits with banks (remaining maturity more than 12 months):		
- Free	1,349.75	15.92
- Under lien (refer note 4)	12.47	101.00
Interest accrued on Term deposits	9.74	17.58
Others #	155.80	56.30
	1,589.28	**223.13**

includes receivables related to insurance claims and online payment aggregators.

Note : 10

Deferred tax assets (net) and Tax expense

₹ in crores

	Balance as at 1 April 2021	Charge/ (credit) to profit and loss	Charge/ (credit) to equity	Charge/ (credit) to OCI	Balance as at 31st March 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	Balance as at 31st March 2023
(i) Deferred tax assets (net)								
Tax effect of items constituting deferred tax liabilities:								
- Application of EIR on financial assets	(76.27)	(8.70)	-	-	(84.97)	4.87	-	(80.10)
- Application of EIR on financial liabilities	(19.17)	6.75	-	-	(12.42)	3.74	-	(8.68)
- Share based payments	(0.39)	-	-	-	(0.39)	(4.35)	-	(4.74)
- FVTPL financial asset	(10.71)	(2.97)	-	-	(13.68)	13.98	-	0.30
- Others #	(110.34)	(21.25)	-	-	(131.59)	-	-	(131.59)
	(216.88)	**(26.17)**	**-**	**-**	**(243.05)**	**18.24**	**-**	**(224.82)**
Tax effect of items constituting deferred tax assets:								
- Provision for employee benefits	18.93	(0.04)	-	0.78	19.67	2.19	4.35	26.21
- Derivatives	32.79	19.45	-	-	52.24	(0.28)	-	51.96
- Allowance for ECL	944.44	(102.84)	-	-	841.60	(277.16)	22.35	586.79
- Provision on standard assets	62.91	90.01	-	-	152.92	-	-	152.92
- Other provisions	20.18	(0.41)	-	(6.72)	13.05	29.54	1.60	44.18
	1,079.25	**6.17**	**-**	**(5.94)**	**1,079.48**	**(245.71)**	**28.30**	**862.06**
Net deferred tax assets	**862.36**	**(20.00)**	**-**	**(5.94)**	**836.42**	**(227.47)**	**28.30**	**637.24**

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 2023

₹ in crores

	31st March 2023	31st March 2022
(ii) Income tax recognised in Statement of profit and loss		
(a) Current tax:		
In respect of current year	480.00	321.90
In respect of prior years	6.28	26.26
	486.28	348.16
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	227.47	28.99
In respect of prior years	-	(8.99)
	227.47	**20.00**
Total Income tax recognised in Statement of profit and loss	**713.75**	**368.16**

₹ in crores

	31st March 2023	31st March 2022
(iii) Income tax recognised in Other Comprehensive Income		
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	4.35	0.79
Net gain / (loss) on equity instruments through OCI	-	(6.55)
Net gain / (loss) on debt instruments through OCI	22.35	(0.18)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	1.60	-
Total Income tax recognised in Other Comprehensive Income	**28.30**	**(5.94)**

₹ in crores

	As at 31st March 2023	As at 31st March 2022
(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	2,698.07	1,356.91
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	679.05	341.51
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	(1.04)	(0.65)
Effect of expenses / provisions not deductible in determining taxable profit	26.93	8.57
Effect of changes in estimates related to prior years	-	1.39
Adjustment related to tax of prior years	6.28	17.27
Others	2.53	0.07
Reported income tax expense	**713.75**	**368.16**
Effective tax rate	**26.45%**	**27.13%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 11

Property, plant and equipments

₹ in crores

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Plant & Machineries under lease	Right-Of-Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT										
Balance as at 1st April 2021	0.81	1.09	102.86	92.99	87.18	84.01	74.15	0.19	272.51	715.79
Additions during the year	-	-	40.97	2.63	8.86	22.68	76.14	-	46.24	197.52
Disposals/deductions during the year	-	-	15.47	3.97	15.68	14.25	3.14	-	52.76	105.27
Balance as at 31st March 2022	**0.81**	**1.09**	**128.36**	**91.65**	**80.36**	**92.44**	**147.15**	**0.19**	**265.99**	**808.04**
Balance as at 1st April 2022	0.81	1.09	128.36	91.65	80.36	92.44	147.15	0.19	265.99	808.04
Additions during the year	-	-	26.74	3.20	10.33	35.05	187.06	-	227.34	489.72
Disposals/deductions during the year	-	-	29.47	5.12	12.67	18.36	10.38	-	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**	**458.68**	**1,187.11**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
Balance as at 1st April 2021	-	0.31	87.62	70.78	72.64	60.07	13.95	0.02	98.92	404.30
Additions during the year	-	0.02	14.99	5.46	7.89	13.47	25.57	0.11	47.47	114.98
Disposals/deductions during the year	-	-	15.41	3.83	15.49	13.19	0.59	-	45.83	94.34
Balance as at 31st March 2022	**-**	**0.33**	**87.20**	**72.41**	**65.04**	**60.35**	**38.93**	**0.13**	**100.56**	**424.94**
Balance as at 1st April 2022	-	0.33	87.20	72.41	65.04	60.35	38.92	0.13	100.56	424.94
Additions during the year	-	0.02	23.86	5.25	8.20	17.12	50.20	0.00	70.11	174.76
Disposals/deductions during the year	-	-	29.44	4.83	12.49	16.22	2.36	-	28.46	93.80
Balance as at 31st March 2023	**-**	**0.35**	**81.62**	**72.83**	**60.75**	**61.26**	**86.76**	**0.13**	**142.21**	**505.91**
NET CARRYING AMOUNT										
As at 31st March 2022	**0.81**	**0.76**	**41.16**	**19.24**	**15.32**	**32.09**	**108.23**	**0.06**	**165.43**	**383.10**
As at 31st March 2023	**0.81**	**0.74**	**44.01**	**16.90**	**17.27**	**47.88**	**237.07**	**0.06**	**316.47**	**681.20**

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 2023

Note : 12

Other Intangible assets

₹ in crores

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1st April 2021	99.73
Additions during the year	**2.99**
Deductions during the year	-
Balance as at 31st March 2022	102.72
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
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1st April 2021	81.10
Additions during the year	11.85
Deductions during the year	**-**
Balance as at 31st March 2022	92.95
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
NET CARRYING AMOUNT	
As at 31st March 2022	**9.77**
As at 31st March 2023	**14.35**

The Company has not revalued its Intangible Assets.

Note : 13

Other non-financial assets

₹ in crores

	31st March 2023	31st March 2022
Capital advances	216.01	132.89
Prepaid expenses	52.71	51.45
Balances with Government Authorities	208.41	100.49
Unamortised placement and arrangement fees paid on borrowing instruments	-	1.00
Insurance advances	5.94	2.01
Other advances	9.80	14.75
	492.87	**302.59**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 14

Derivative financial instruments

₹ in crores

	31st March 2023		31st March 2022	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives unhedged: (refer note 53 (III))				
Forward contracts	-	-	549.99	36.03
Currency swaps/Options	1,063.50	144.83	1,600.19	146.19
Total (A)	**1,063.50**	**144.83**	**2,150.18**	**182.22**
Currency / interest rate derivatives hedged: (refer note 53 (III))				
Forward contracts	839.91	16.92	-	-
Currency swaps/Options	827.70	18.95	-	-
Total (B)	**1,667.61**	**35.87**	**-**	**-**
Total derivative financial instruments (A+B)	**2,731.11**	**180.70**	**2,150.18**	**182.22**

₹ in crores

Movement in Cash Flow Hedge Reserve	31st March 2023	31st March 2022
Balance at the beginning of the year	-	-
Recognised on Cash Flow Hedge Reserve	(6.34)	-
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	1.60	-
	(4.74)	**-**

Note : 15

Payables

₹ in crores

	31st March 2023	31st March 2022
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	1,126.57	954.88
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	2.62	3.53
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	37.12	46.87
	1,166.31	**1,005.28**

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:

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

₹ in crores

	31st March 2023	31st March 2022
a) Dues remaining unpaid to any supplier at the year end		
- Principal	2.62	3.53
- 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	-	-
	2.62	**3.53**

Trade Payables aging schedule
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.

As at 31st March 2022

₹ 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	3.53	-	-	-	3.53
ii) Others	890.49	22.34	28.43	60.49	1,001.75
Total	**894.02**	**22.34**	**28.43**	**60.49**	**1,005.28**
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 2023

Note : 16

Debt Securities

₹ in crores

	31st March 2023	31st March 2022
At Amortised cost		
Non-convertible debentures (Secured)	19,464.32	16,610.55
Non-convertible debentures (Unsecured)	994.95	795.82
Commercial Papers (Unsecured)	3,936.00	496.56
Rupee Denominated Secured Bonds overseas (Masala Bonds)	349.80	349.78
Total	**24,745.07**	**18,252.71**
Debt securities in India	24,395.27	17,902.93
Debt securities outside India	349.80	349.78
Total	**24,745.07**	**18,252.71**

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 ₹ 22,363.93 crore (March 2022: ₹ 21,093.21 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

Details of Non-convertible debentures (Secured):

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis (wholesale) -				
Repayable on maturity:				
Maturing within 1 years	5.25%-8.75%	3,969.70	4.80%-8.95%	3,677.90
Maturing between 1 years to 3 years	6.25%-9.00%	8,203.00	4.93%-8.95%	6,383.00
Maturing between 3 years to 5 years	7.90%-8.25%	752.25	6.25%-9.00%	1,565.00
Maturing beyond 5 years	7.45%-8.48%	4,978.00	7.75%-8.48%	2,978.00
Sub-total at face value		**17,902.95**		**14,603.90**
Repayable in Half yearly instalments:				
Maturing between 1 year to 3 years	6.35%	168.75	6.35%	56.25
Maturing between 3 years to 5 years	6.35%	56.25	6.35%	168.75
Sub-total at face value		225.00		225.00
Total at face value (A)		**18,127.95**		**14,828.90**
B) Issued on retail public issue -				
Repayable on maturity:				
Maturing within 1 year	9.10%-9.15%	535.56	9.00%-9.05%	405.41
Maturing between 1 year to 3 years	-	-	9.10%-9.15%	535.56
Maturing between 3 years to 5 years	9.20%-9.30%	869.15	9.20%-9.30%	869.15
Sub-total at face value (B)		**1,404.71**		**1,810.12**
Total at face value (A+B)		**19,532.66**		**16,639.02**
Less: Unamortised discounting charges		68.34		28.47
Total amortised cost		**19,464.32**		**16,610.55**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Details of Non-convertible debentures (Unsecured) -:

₹ in crores

From the Balance Sheet date	As at 31st March 2023 Interest rate range	As at 31st March 2023 Amount	As at 31st March 2022 Interest rate range	As at 31st March 2022 Amount
Repayable on maturity:				
Maturing beyond 5 years	8.53%	1,000.00	8.53%	800.00
Total at face value		**1,000.00**		**800.00**
Less: Unamortised discounting charges		5.05		4.18
Total amortised cost		**994.95**		**795.82**

Details of Commercial Papers (Unsecured):

₹ in crores

From the Balance Sheet date	As at 31st March 2023 Interest rate range	As at 31st March 2023 Amount	As at 31st March 2022 Interest rate range	As at 31st March 2022 Amount
Repayable on maturity:				
Maturing within 1 year	5.50%-8.26%	4,075.00	4.70%	500.00
Total at face value		**4,075.00**		**500.00**
Less: Unamortised discounting charges		139.00		3.44
Total amortised cost		**3,936.00**		**496.56**

Rupee Denominated Secured Bonds overseas (Masala Bonds)

₹ in crores

From the Balance Sheet date	As at 31st March 2023 Interest rate range	As at 31st March 2023 Amount	As at 31st March 2022 Interest rate range	As at 31st March 2022 Amount
Repayable on maturity:				
Maturing between 1 year to 3 years	7.40%	350.00	7.40%	350.00
Total at face value		**350.00**		**350.00**
Less: Unamortised discounting charges		0.20		0.22
Total amortised cost		**349.80**		**349.78**

Note : 17

Borrowings (Other than Debt Securities)

₹ in crores

	31st March 2023	31st March 2022
At Amortised cost		
a) Term loans		
i) Secured -		
- from banks	30,622.15	15,305.19
- External Commercial Borrowings	2,550.71	2,177.52
- Associated liabilities in respect of securitisation transactions	6,718.60	8,089.20
ii) Unsecured -		
- from banks	85.00	85.00
- from other parties	150.01	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ in crores

	31st March 2023	31st March 2022
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	437.00	348.26
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	500.62	-
Total	**41,234.06**	**26,005.17**
Borrowings in India	38,683.35	23,827.65
Borrowings outside India	2,550.71	2,177.52
Total	**41,234.06**	**26,005.17**

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 ₹ 30,645.34 crore (March 2022: ₹ 21,830.92 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 2023 Interest rate range	As at 31st March 2023 Amount	As at 31st March 2022 Interest rate range	As at 31st March 2022 Amount
1) Repayable on maturity:				
Maturing within 1 year	5.98%-8.85%	3,020.00	4.40%-6.95%	821.00
Maturing between 1 year to 3 years	-	-	5.25%-6.10%	1,100.00
Total for repayable on maturity		**3,020.00**		**1,921.00**
2) Repayable in installments:				
i) Quarterly -				
Maturing within 1 year	5.15%-8.89%	4,820.25	4.50%-7.35%	3,502.99
Maturing between 1 year to 3 years	5.15%-8.62%	6,767.00	4.50%-6.95%	3,768.70
Maturing between 3 years to 5 years	5.75%-8.62%	1,833.35	4.50%-5.80%	451.00
Sub-Total		**13,420.60**		**7,722.69**
ii) Half yearly -				
Maturing within 1 year	6.25%-10.50%	3,267.11	4.47%-10.50%	1,431.99
Maturing between 1 year to 3 years	6.25%-8.40%	5,238.56	4.47%-10.50%	3,063.58
Maturing beyond 3 years to 5 years	7.45%-8.40%	2,689.03	4.47%-4.90%	249.13
Sub-Total		**11,194.70**		**4,744.70**
iii) Yearly -				
Maturing within 1 year	7.49%-8.72%	460.00	5.40%-6.85%	380.00
Maturing between 1 year to 3 years	7.49%-8.72%	1,649.17	4.46%-6.00%	395.00
Maturing between 3 years to 5 years	8.35%-8.72%	877.50	4.46%-6.00%	141.67
Sub-Total		**2,986.67**		**916.67**
Total for repayable in instalments		27,601.97		13,384.06
Total (1+2) (As per contractual terms)		30,621.97		15,305.06

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Details of term loans from banks (Secured):

₹ in crores

	As at 31st March 2023		As at 31st March 2022	
From the Balance Sheet date	Interest rate range	Amount	Interest rate range	Amount
Add / Less Unamortised Finance Cost		0.18		(0.13)
Total Amortised Cost		**30,622.15**		**15,305.19**

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

	Quarter ended			
Year ended 31st March 2023	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**

₹ in crores

	Quarter ended			
Year ended 31st March 2022	June 2021	September 2021	December 2021	March2022
Value as per quarterly returns / statements filed with Banks	2,739.54	2,739.48	2,739.57	2,739.50
Difference due to future interest considered in Book debt statements	(100.13)	(97.18)	(95.66)	(83.58)
Difference in Overdue balance due to credits not considered in returns	70.59	58.28	44.75	29.38
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortised cost	4.07	4.53	5.03	5.29
Value as per Ind AS books of account	**2,714.07**	**2,705.11**	**2,693.69**	**2,690.59**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Details of External Commercial Borrowings (USD, Euro & JPY)

₹ in crores

	As at 31st March 2023		As at 31st March 2022	
From the Balance Sheet date	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	6.91%	309.00	8.15%-8.36%	1,250.82
Maturing between 1 year to 3 years	6.61%-8.11%	2,251.17	6.61%-6.91%	721.87
Maturing beyond 3 years to 5 years	-	-	6.61%	211.58
		2,560.17		**2,184.27**
Less Unamortised Finance Cost		9.46		6.75
		2,550.71		**2,177.52**

Details of associated liabilities related to Securitisation transactions

₹ in crores

	As at 31st March 2023		As at 31st March 2022	
From the Balance Sheet date	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	3.70%-7.55%	3,467.94	3.70%-8.10%	4,051.07
Maturing between 1 year to 3 years	3.76%-7.55%	2,921.26	3.70%-8.10%	3,681.57
Maturing between 3 years to 5 years	3.70%-7.55%	329.40	3.70%-4.76%	356.45
Maturing beyond 5 years	-	-	4.76%	0.11
		6,718.60		**8,089.20**
Less Unamortised Finance Cost		-		-
		6,718.60		**8,089.20**

Details of Unsecured term loans from banks

₹ in crores

	As at 31st March 2023		As at 31st March 2022	
From the Balance Sheet date	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	8.05%	85.00	4.98%	85.00
Total		**85.00**		**85.00**
Less Unamortised Finance Cost		-		-
Total Amortised Cost		**85.00**		**85.00**

Details of Unsecured term loans from others

	As at 31st March 2023		As at 31st March 2022	
From the Balance Sheet date	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing between 1 year to 3 years	8.10%	150.00		-
Total		**150.00**		**-**
Add Unamortised Finance Cost		0.01		-
Total Amortised Cost		**150.01**		**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Details of Loans from related parties (Unsecured) - Inter-corporate deposits (ICDs)

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	5.40%-7.85%	915.12	-	-
Maturing between 1 year to 3 years	6.25%	22.50	5.40%-6.25%	348.26
Total		**937.62**		**348.26**
Less Unamortised Finance Cost		-		-
Total Amortised Cost		**937.62**		**348.26**

Details of Loans repayable on demand (Secured) - Cash credit facilities with banks

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	8.45%	169.97	-	-
Total		**169.97**		**-**

Note : 18

Deposits

₹ in crores

	31st March 2023	31st March 2022
At amortised cost		
Deposits (Unsecured)		
- Public deposits *	5,524.60	8,426.19
Total	**5,524.60**	**8,426.19**

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.

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Details of Deposits (Unsecured) - Public deposits

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	4.95% - 9.15%	1,836.02	4.95% - 9.15%	4,769.74
Maturing between 1 year to 3 years	5.65% - 9.15%	3,269.40	5.30% - 9.15%	3,141.74
Maturing beyond 3 years	5.90% - 9.15%	436.41	5.90% - 8.45%	535.58
Total at face value		**5,541.83**		**8,447.06**
Less: Unamortised discounting charges		17.23		20.87
Total amortised cost		**5,524.60**		**8,426.19**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 19

Subordinated liabilities

₹ in crores

	31st March 2023	31st March 2022
At Amortised cost (Unsecured)		
Subordinated redeemable non-convertible debentures - private placement	1,028.73	719.08
Subordinated redeemable non-convertible debentures - retail public issue	2,413.40	2,410.77
Total	**3,442.13**	**3,129.85**
Subordinated liabilities in India	3,442.13	3,129.85
Subordinated liabilities outside India	-	-
Total	**3,442.13**	**3,129.85**

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortised cost) - Unsecured subordinated redeemable non-convertible debentures

₹ in crores

	From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
		Interest rate range	Amount	Interest rate range	Amount
A)	**Issued on private placement basis -**				
	Repayable on maturity:				
	Maturing within 1 year	9.50%-9.70%	127.80	9.80%-10.15%	70.00
	Maturing between 1 year to 3 years	8.90%-9.60%	390.00	9.18%-9.70%	342.80
	Maturing between 3 years to 5 years		-	8.90%-9.10%	175.00
	Maturing beyond 5 years	7.35%-8.20%	512.90	7.35%	132.90
	Sub-total at face value (A)		**1,030.70**		**720.70**
B)	**Issued on retail public issue -**				
	Repayable on maturity:				
	Maturing within 1 year	8.44%-8.80%	12.34	-	-
	Maturing between 1 year to 3 years	7.75%-7.85%	59.32	7.75%-8.80%	71.66
	Maturing between 3 years to 5 years	7.90%-9.00%	1,380.25	8.53%-9.00%	933.01
	Maturing beyond 5 years	7.95%-9.50%	980.84	7.90%-9.50%	1,428.08
	Sub-total at face value (B)		**2,432.75**		**2,432.75**
	Total at face value (A+B)		**3,463.45**		**3,153.45**
	Less: Unamortised discounting charges		21.32		23.60
	Total amortised cost		**3,442.13**		**3,129.85**

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 19 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.

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

Note : 20

Other financial liabilities

₹ in crores

	31st March 2023	31st March 2022
Interest accrued but not due on borrowings	1,730.03	1,863.05
Unclaimed dividends #	0.60	0.58
Unclaimed matured deposits and interest accrued thereon #	4.88	11.23
Deposits / advances received against loan agreements	88.79	89.54
Insurance premium payable	3.78	3.21
Salary, Bonus and performance payable	7.35	8.14
Provision for expenses	175.79	128.73
Lease liabilities (refer note 41)	349.61	185.26
Others	23.45	26.43
Total	**2,384.28**	**2,316.17**

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.

Note : 21

Provisions

₹ in crores

	31st March 2023	31st March 2022
Provision for employee benefits		
- Gratuity (refer note 37)	22.15	39.21
- Leave encashment	84.00	75.32
- Bonus, incentives and performance pay	154.16	106.65
Provision for loan commitment	0.43	0.17
Total	**260.74**	**221.35**

Note : 22

Other non-financial liabilities

₹ in crores

	31st March 2023	31st March 2022
Deferred subvention income	22.49	12.81
Statutory dues and taxes payable	89.88	84.50
Others *	11.71	10.47
Total	**124.08**	**107.78**

* 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 2023

Note : 23

Equity Share capital

₹ in crores

	31st March 2023	31st March 2022
Authorised:		
250,00,00,000 (31st March 2022: 250,00,00,000) Equity shares of ₹ 2/- each	500.00	500.00
50,00,000 (31st March 2022: 50,00,000) Redeemable preference shares of ₹ 100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
123,55,29,920 (31st March 2022: 123,55,29,920) Equity shares of ₹ 2/- each fully paid up	247.11	247.11
Less : 19,31,449 (31st March 2022: 25,74,163) 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	0.39	0.51
Adjusted Issued, Subscribed and paid-up Share capital	**246.72**	**246.60**

	As at 31st March 2023		As at 31st March 2022	
	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	247.10
Add: Fresh allotment of shares:	-	-	-	-
Balance at the end of the year	**1,23,55,29,920**	**247.11**	**1,23,55,29,920**	**247.10**
Less: Shares issued to ESOS Trust but not yet allotted to employees	19,31,449	0.39	25,74,163	0.50
Adjusted Issued, Subscribed and paid-up Share capital	**1,23,35,98,471**	**246.72**	**1,23,29,55,757**	**246.60**
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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

e) Shareholding of Promoters

Name of the Promoter	Shares held by promoters as at 31st March 2023			Shares held by promoters as at 31st March 2022		
	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 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

₹ in crores

	31st March 2023	31st March 2022
Dividend paid	444.79	98.84
Profit for the relevant year	988.75	335.15
Dividend as a percentage of profit for the relevant year	45.0%	29.5%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

₹ in crores

	31st March 2023	31st March 2022
Face value per share (Rupees)	2.00	2.00
Dividend percentage	300%	180%
Dividend per share (Rupees)	6.00	3.60
Total Dividend on Equity shares (a)	741.32	444.79
Profit after tax for the relevant year (b)	1,984.32	988.75
Dividend proposed as a percentage of profit after tax (a/b)	37.4%	45.0%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

Note : 24

Interest income

₹ in crores

	31st March 2023	31st March 2022
On financial instruments measured at Amortised cost (refer note 2.6)		
Interest on loans	9,847.25	8,831.98
Income from bill discounting	102.00	77.61
Interest income from investments	231.64	142.49
Interest on term deposits with banks	210.08	181.36
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	291.60	242.17
Total	**10,682.57**	**9,475.61**

Note: There is no loan asset measured at FVTPL.

Note : 25

Fees, charges and commission income

₹ in crores

	31st March 2023	31st March 2022
Service charges and other fees income	139.22	72.74
Fees, commission / brokerage received from mutual fund distribution/other products	10.90	13.46
Collection fees related to transferred assets under securitisation transactions	17.84	19.09
Total	**167.96**	**105.29**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 26

Net gain / (loss) on fair value changes

₹ in crores

	31st March 2023	31st March 2022
Net gain / (loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	(1.37)	0.09
Others - Mutual fund units	6.96	50.67
Total Net gain / (loss) on financial instruments at FVTPL	**5.59**	**50.76**
Fair value changes :		
- Realised	5.59	39.06
- Unrealised	-	11.70
Total Net gain / (loss) on financial instruments at FVTPL	**5.59**	**50.76**

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

Note : 27

Other income

₹ in crores

	31st March 2023	31st March 2022
Net gain on derecognition of property, plant and equipment	2.89	1.27
Net gain on sale investments measured at amortised cost	0.73	-
Dividend income from Equity investments in subsidiaries	4.12	2.47
Income from shared services	119.29	56.90
Others	0.26	0.19
Total	**127.29**	**60.83**

Note : 28

Finance costs

₹ in crores

	31st March 2023	31st March 2022
On financial liabilities measured at Amortised cost		
Interest on deposits	524.74	766.91
Interest on borrowings	2,135.60	1,421.33
Interest on debt securities	1,584.36	1,394.91
Interest on subordinated liabilities	291.15	283.35
Net loss / (gain) in fair value of derivative financial instruments	(10.77)	7.99
Interest expense on lease liabilities (refer note 41)	21.79	14.36
Others	29.85	31.33
Total	**4,576.72**	**3,920.18**

Note: There are no financial liabilities measured at FVTPL.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 29

Impairment on financial instruments

₹ in crores

	31st March 2023	31st March 2022
On financial instruments measured at Amortised cost		
Bad debts and write offs	2,213.36	2,513.07
Loans	(1,212.71)	(144.71)
Investments	(0.64)	1.21
Loan commitment	0.26	(1.01)
Trade receivables and other contracts	(1.04)	(0.26)
Total	**999.23**	**2,368.30**

Note: There are no financial instruments measured at FVOCI.

Note : 30

Employee benefits expenses

₹ in crores

	31st March 2023	31st March 2022
Salaries and wages	1,457.60	1,057.11
Contribution to provident funds and other funds	94.43	83.26
Share based payments to employees	4.55	9.20
Staff welfare expenses	27.69	21.83
Total	**1,584.27**	**1,171.40**

Note : 31

Depreciation, amortisation and impairment

₹ in crores

	31st March 2023	31st March 2022
Depreciation on Property, Plant and Equipment # (refer note 11)	104.65	67.51
Amortisation and impairment of intangible assets (refer note 12)	12.47	11.85
Depreciation on Right of Use Asset (refer note 11 and 41)	70.11	47.47
Total	**187.23**	**126.83**

During the year ended 31st March 2022, the Company has revised the estimate of useful life considered for depreciating the vehicles under operating lease from useful life as specified in Schedule II of the Companies Act, 2013, as amended, to useful life representing the lease period of respective lease agreements. The resultant change had an additional depreciation charge of ₹ 12.20 crore which was included above under the head "Depreciation on Property, Plant and Equipment" for the year ended 31st March 2022.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 32

Other expenses

₹ in crores

	31st March 2023	31st March 2022
Rent	14.32	17.13
Rates and taxes, excluding taxes on income	6.67	4.82
Electricity charges	16.14	13.46
Repairs and maintenance	9.83	5.05
Communication costs	33.92	29.37
Printing and stationery	12.58	9.25
Advertisement and publicity	26.78	15.36
Directors' fees, allowances and expenses	2.97	2.29
Auditor's fees and expenses -		
- Audit fees	1.41	1.33
- Other services	0.36	0.41
- Reimbursement of expenses	0.04	0.05
Legal and professional charges	112.18	119.78
Insurance	51.03	37.79
Manpower outsourcing cost	182.07	159.81
Donations	0.39	-
Corporate Social Responsibility (CSR) expenses (refer note 45)	44.50	29.48
Conveyance and travel expenses	123.51	82.39
Other expenses	237.12	202.50
Total	**875.82**	**730.27**

Note : 33

Exceptional items

₹ in crores

	31st March 2023	31st March 2022
Impairment loss provision on equity investment in Mahindra Ideal Finance Limited (MIFL), a subsidiary in Sri Lanka (refer note 61)	(54.51)	-
Total	**(54.51)**	**-**

Note : 34

Earning Per Share (EPS)

	31st March 2023	31st March 2022
Profit for the year (₹ in crore)	1,984.32	988.75
Weighted average number of Equity Shares used in computing basic EPS	1,23,31,47,111	1,23,22,87,519
Effect of potential dilutive Equity Shares	12,09,941	14,58,085
Weighted average number of Equity Shares used in computing diluted EPS	1,23,43,57,052	1,23,37,45,604
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	16.09	8.02
Diluted Earnings per share (₹)	16.08	8.01

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 35

Accumulated Other Comprehensive Income

₹ in crores

	31 March 2023	31 March 2022
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	21.46	1.99
- Net gain / (loss) on equity instruments through OCI	-	26.01
- Income tax relating to items that will not be reclassified to profit or loss	-	(6.54)
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	(57.30)	(57.82)
- Net gain / (loss) on debt instruments through OCI	(88.82)	0.70
- The effective portion of gains and loss on hedging instruments in a cash flow hedge;	(6.34)	-
- Income tax relating to items that will be reclassified to profit or loss	23.95	(0.18)
Balance at the end of the year: Subtotal (B)	**(128.50)**	**(57.30)**
Accumulated Other Comprehensive Income (A + B)	**(107.04)**	**(35.84)**

Note : 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 3 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 17 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 57,62,513 equity shares to employees up to 31st March 2023 (31st March 2022: 51,19,799 equity shares), of which 6,42,714 equity shares (31st March 2022: 9,90,139 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.13 crore for the year ended 31st March 2023 (31st March 2022: ₹ 0.20 crore).

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	20% on expiry of 12 months from the date of grant
	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant
	20% on expiry of 48 months from the date of grant
	20% on expiry of 60 months from the date of grant

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

b) Options granted during the year:

During the year ended 31st March 2023, the Company has not granted any stock options (31st March 2022: nil) to the employees under the Employees' Stock Option Scheme 2010.

c) Summary of stock options:

₹ in crores

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of stock options	Weighted average exercise price (₹) #	No. of stock options	Weighted average exercise price (₹) #
Options outstanding at the beginning of the year	2,167,340	26.91	3,354,484	2.00
Options granted during the year	-	-	-	-
Adjustment pertaining to Rights Issue	-	-	-	-
Options forfeited / lapsed during the year	47,783	26.46	189,050	26.00
Options expired during the year	41,860	31.62	7,955	28.37
Options exercised during the year	642,714	26.63	990,139	25.20
Options outstanding at the end of the year	1,434,983	26.91	2,167,340	26.91
Options vested but not exercised at the end of the year	696,553	27.87	611,688	29.21

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).

d) Information in respect of options outstanding:

₹ in crores

Exercise price	As at 31st March 2023		As at 31st March 2022	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
i) At ₹ 2.00 per option	690,412	35 months	1,042,783	43 months
ii) At ₹ 50.00 per option	744,571	34 months	1,124,557	42 months
	1,434,983		**2,167,340**	

e) Average share price at recognised stock exchange on the date of exercise of the option is as under:

Year ended 31st March 2023		Year ended 31st March 2022	
Date of exercise	Weighted average share price (₹)#	Date of exercise	Weighted average share price (₹)
01 April 2022 to 31st March 2023	215.21	01 April 2021 to 31st March 2022	158.78

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, ₹ 4.55 crore (31st March 2022: ₹ 9.20 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 ₹ 1.05 crore (31st March 2022: ₹ 2.70 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹ 0.22 crore (31st March 2022: ₹ 0.30 crore) from its subsidiaries for options granted to their employees.

Note : 37

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.

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.).

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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	
	2023	2022
I. Amounts recognised in the Statement of Profit & Loss		
Current service cost	13.21	11.21
Net Interest cost	2.47	1.92
Past service cost	-	-
Adjustment due to change in opening balance of Plan assets	(5.51)	(5.04)
Total expenses included in employee benefits expense	**10.17**	**8.09**
II. Amount recognised in Other Comprehensive income		
Remeasurement (gains)/losses:		
a) Actuarial (gains)/losses arising from changes in -		
- financial assumptions	(17.27)	(3.10)
- experience adjustments	-	-
b) Return on plan assets, excluding amount included in net interest expense/(income)	-	-
Total amount recognised in other comprehensive income	**(17.27)**	**(3.10)**
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	104.26	95.44
Add/(less) on account of business combination/transfers		
Current service cost	13.21	11.21
Past service cost	-	-
Interest expense	7.63	6.59
Remeasurement (gains)/losses arising from changes in -		
- demographic assumptions	0.19	0.56
- financial assumptions	(1.52)	(5.36)
- experience adjustments	13.44	3.23
Benefits paid	(11.48)	(7.41)
Closing defined benefit obligation	**125.73**	**104.26**
IV. Change in the fair value of plan assets during the year		
Opening Fair value of plan assets	65.06	62.62
Interest income	5.16	4.67
Expected return on plan assets	(5.16)	(4.67)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars	Funded Plan	
	Gratuity	
	Year ended 31 March	
	2023	2022
Contributions by employer	44.50	4.81
Adjustment due to change in opening balance of Plan assets	5.51	5.04
Actual Benefits paid	(11.48)	(7.41)
Closing Fair value of plan assets	**103.59**	**65.06**
V. Net defined benefit obligation		
Defined benefit obligation	125.73	104.26
Fair value of plan assets	103.58	65.05
Surplus/(Deficit)	(22.15)	(39.21)
Current portion of the above	-	-
Non current portion of the above	(22.15)	(39.21)
VI. Expected contribution for the next reporting year	16.31	19.85

Actuarial assumptions and Sensitivity

Particulars	Funded Plan	
	Gratuity	
	Year ended 31 March	
	2023	2022
I. Actuarial assumptions		
Discount Rate (p.a.)	7.50%	7.32%
Attrition rate	22.00 for age up to 30, 16.00for age 31-44, 8.00 for 45 and above	25.52 for age up to 30, 16.17 for age 31-44, 5.98 for 45 and above
Expected rate of return on plan assets (p.a.)	7.32%	6.91%
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	(7.04)	(8.47)
One percentage point decrease in discount rate	7.16	5.65
One percentage point increase in Salary growth rate	7.16	5.60
One percentage point decrease in Salary growth rate	(7.14)	(8.55)
III. Maturity profile of defined benefit obligation		
Within 1 year	24.23	19.24
Between 1 and 5 years	120.21	95.92

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 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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 ₹ 70.23 crore (31st March 2022: ₹ 59.17 crore) has been recognised in the Statement of profit and loss under the head Employee benefits expense.

Note : 38

Additional disclosures

i) During the financial years ended 31st March 2023 and 31st March 2022, 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.

As at 31st March 2023

₹ in crores

	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
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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

As at 31st March 2023

₹ in crores

	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
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

As at 31st March 2022

₹ in crores

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2022 (₹ in crores)	Relationship with the Struck off company, if any, to be disclosed
1	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.09	External
2	ANUSHREE CONSTROTECH PRIVATE LIMITED	Receivables	-	External
3	SHAN STRATEGIC SOLUTIONS PRIVATE LIMITED	Receivables	-	External
4	HIMHYDRO CONSTRUCTION PRIVATE LIMITED	Receivables	-	External
5	G. V. FOODS PRIVATE LIMITED	Receivables	-	External
6	SINGHAL BRICKS PRIVATE LIMITED	Receivables	-	External
7	MODESTY INDUSTRIES PRIVATE LIMITED	Receivables	0.01	External
8	RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	(0.00)	External
9	GRACIOUS BOTTLES PRIVATE LIMITED	Receivables	0.01	External
10	SARASWATIPUR TEA AND INDUSTRIES PVT.LTD.	Receivables	0.00	External

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

As at 31st March 2022

₹ in crores

Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2022 (₹ in crores)	Relationship with the Struck off company, if any, to be disclosed
11 FAST BUSINESS CENTRE LIMITED	Receivables	0.02	External
12 KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.03	External
13 ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	0.01	External
14 SATKAR SECURITY PROVIDER PRIVATE LIMITED	Receivables	0.01	External
15 ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.08	External
16 GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.07	External
17 M.Y. TRANSPORT COMPANY PRIVATE LIMITED	Receivables	0.32	External
18 GOMATESHWAR INVESTMENTS PVT LTD	Shares held by stuck off Company	50*	External
19 DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
20 UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	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 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 31st March 2023 are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 2023 in respect of listed secured debt securities is 1.09 (March 2022: 1.09).

Note : 39

Transactions in the nature of change in ownership in other entities

Transactions pertaining to previous year ended 31st March 2022:

Pursuant to the Share Subscription, Share Purchase and Shareholders' Agreement dated 20 August, 2019 with Ideal Finance Limited, Sri Lanka ("Ideal Finance") and its existing shareholders for investment of the third and final tranche for acquisition of shares of Ideal Finance from its existing shareholders, the Company had completed the acquisition of the balance 20% of the Equity Share Capital aggregating 2,91,29,032 Equity Shares of Ideal Finance from its existing shareholders for ₹ 33.97 crore on 8 July 2021, resulting in an increase in the Company's stake in Ideal Finance from 38.20% to 58.20% with a cumulative investment of ₹ 77.97 Crore. Consequent to this investment, Ideal Finance has become a Subsidiary of the Company effective 8 July, 2021 and the name was changed to Mahindra Ideal Finance Limited.

Note : 40

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 31 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 September 01, 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.

Regulatory capital

₹ in crores

	As at 31st March 2023	As at 31st March 2022
Tier - I capital	15,307.93	13,694.10
Tier - II capital	2,045.12	1,982.55
Total Capital	**17,353.05**	**15,676.65**
Aggregate of Risk Weighted Assets	77,061.91	56,482.56
Tier - I capital ratio	19.87%	24.24%
Tier - II capital ratio	2.65%	3.51%
Total Capital ratio	**22.52%**	**27.75%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

"*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 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.

Note : 41

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 1 April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognised 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 7.85% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

₹ in crores

	As at 31st March 2023	As at 31st March 2022
Less than 1 year	86.22	54.53
1 - 3 years	126.98	84.02
3 - 5 years	105.37	51.87
More than 5 years	129.18	34.17
Total undiscounted lease liabilities	**447.75**	**224.59**

b) Other disclosures:

Following table summarises 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 2023	31st March 2022
i) Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 31 "Depreciation, amortisation and impairment")	70.11	47.47
ii) Interest expense on lease liabilities (presented under note - 28 "Finance costs")	21.79	14.36
iii) Expense relating to short-term leases (included in Rent expenses under note 32 "Other expenses")	5.74	10.83
iv) Expense relating to leases of low-value assets (included in Rent expenses under note 32 "Other expenses")	8.73	8.99
v) Payments for principal portion of lease liability	55.57	40.45
vi) Additions to right-of-use assets during the year (refer note 11)	227.34	46.24
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 - 11 "Property, plant and equipments")	316.47	165.43
viii) Lease liabilities (presented under note - 20 "Other financial liabilities")	349.61	185.26

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18 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 30 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Other details are as follows:

₹ in crores

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	321.13	144.44
Depreciation for the year	49.25	23.42
Accumulated Depreciation	73.91	36.60
ii) Used and refurbished vehicles to travel operators/taxi aggregators -		
Gross carrying amount	2.71	2.71
Depreciation for the year	0.24	1.56
Accumulated Depreciation	1.38	2.32

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 2023	As at 31st March 2022
i) New vehicles to retail customers on operating lease -		
Not later than one year	87.95	43.20
Later than one year but not later than five years	169.72	89.15
	257.67	132.35
ii) Used and refurbished vehicles to travel operators/taxi aggregators -		
Not later than one year	0.20	0.20
Later than one year but not later than five years	0.12	0.12
	0.32	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.

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 2023	As at 31st March 2022
Gross Rental Receivable	297.95	33.88
Less: Unearned Income	77.00	7.18
Net Receivable before charging allowance for Impairment loss	220.95	26.70
Less: Allowance for Impairment losses	6.48	0.25
Total Net Receivables	214.47	26.45

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	98.62	199.33	-	297.95
Less: Unearned Income	23.23	53.77	-	77.00
Net Receivable before charging allowance for Impairment loss	75.39	145.56	-	220.95

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 42

(i) 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 2023 or 31st March 2022.

(ii) Frauds reported during the year

There were 91 cases (31st March 2022: 178 cases) of frauds amounting to ₹ 2.68 crore (31st March 2022: ₹ 5.13 crore) reported during the year. The Company has recovered an amount of ₹ 0.65 crore (31st March 2022: ₹ 2.24 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.

Note : 43

Contingent liabilities and commitments (to the extent not provided for)

₹ in crores

	31st March 2023	31st March 2022
i) Contingent liabilities		
Claims against the Company not acknowledged as debts	179.31	170.99
Guarantees	1,983.72	1,720.34
	2,163.03	**1,891.33**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	201.00	58.17
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	154.30	44.77
	561.69	**102.94**
Total	**2,724.72**	**1,994.27**

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 44

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 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 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 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. 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:

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
Securitisations -		
Carrying amount of transferred assets measured at amortised cost	6,726.19	8,319.61
Carrying amount of associated liabilities	6,718.60	8,089.20
Fair value of transferred assets (A)	6,511.34	8,120.33
Fair value of associated liabilities (B)	6,781.18	8,209.70
Net position (A-B)	(269.84)	(89.37)

Note : 45

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 31st March 2023, the Company has incurred an expenditure of ₹ 41 crore (31st March 2022: ₹ 28.69 crore) 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 ₹ 3.50 crore (31st March 2022: ₹ 0.79 crore) towards the CSR activities undertaken by the Company. The amount includes ₹ 7.79 crore towards unspent amount of the previous financial year.

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 ₹ 37.13 crore (31st March 2022: ₹ 37.51 crore).

b) Amount spent by the Company during the year:

₹ in crores

Particulars	For the year ended 31st March 2023			For the year ended 31st March 2022	
	In cash	Yet to be paid in cash	Total	Yet to be paid in In cash	Total
i) Construction/acquisition of any asset	–	–	–	–	–
ii) On purpose other than (i) above*	45.07	–	45.07	29.72	29.72

* The above expenditure includes **₹ 7.79 crore** of unspent amount for previous financial year.

The current year expenditure includes **₹ 0.57 crore** (31st March 2022: ₹ 0.24 crore) 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.

c) Amount of shortfall at the end of the year: Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

d) 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.

e) Provision made with respect to a liability already incurred by entering into a contractual obligation: Nil

Note : 46

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.

Note : 47

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.

Note : 48

Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31st March 2023

₹ in crores

Particulars	1 April 2022	Cash flows (net)	Exchange difference	Amortisation 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**

Year ended 31st March 2022

₹ in crores

Particulars	1 April 2021	Cash flows (net)	Exchange difference	Amortisation of loan origination costs	New leases	31st March 2022
Debt securities	16,834.57	1,405.70	-	12.44	-	18,252.71
Borrowings (Other than debt securities)	29,142.08	(3,061.65)	(90.38)	15.11	-	26,005.17
Deposits	9,450.66	(1,034.09)	-	9.62	-	8,426.19
Subordinated liabilities	3,149.37	(22.25)	-	2.73	-	3,129.85
Lease liabilities	190.10	(44.14)	-	-	39.30	185.26
Total	**58,766.77**	**(2,756.43)**	**(90.38)**	**39.90**	**39.30**	**55,999.18**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 49

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 minimise 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.

49.1 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 maximising 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 ₹ 103.36 crore (31st March 2022: ₹ 41.72 crore). 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 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 2023			
Financial Assets	-	-	-
Financial Liabilities	1,732.32	818.39	2,550.71
As at 31st March 2022			
Financial Assets	-	-	-
Financial Liabilities	928.75	1,248.77	2,177.52

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 2023	INR/JPY	(+/-) 1.00%	(+/-) 17.38
	INR/USD	(+/-) 1.00%	(+/-) 8.22
Year ended 31st March 2022	INR/JPY	(+/-) 1.00%	(+/-) 9.29
	INR/USD	(+/-) 1.00%	(+/-) 12.49

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 2023	INR	100	228.78
Year ended 31st March 2022	INR	100	123.29

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 2023	79,557.32	102.59	79,454.73
At 31st March 2022	60,542.37	97.73	60,444.64

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 2023	2,486.87	102.59	2,384.28
At 31st March 2022	2,413.90	97.73	2,316.17

49.2 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.

Credit Quality of Financial Loans and Investments

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 2023	31st March 2022
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	62,401.65	42,798.40
Past Due but not impaired:		
- 1-30 days past due	4,835.98	4,222.47
- 31-90 days past due	4,852.73	9,112.22
Impaired (more than 90 days)	3,655.10	4,864.19
Total Gross carrying value as at reporting date	**75,745.46**	**60,997.28**

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	4,331.40	1,912.31
Past Due but not impaired:		
- 1-30 days past due	55.05	102.78
- 31-90 days past due	20.54	80.42
Impaired (more than 90 days)	49.69	44.97
Total Gross carrying value as at reporting date	**4,456.68**	**2,140.48**

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of Trade Advances		
Less than 60 days past due	2,480.06	1,682.21
61-90 days past due	53.43	64.55
Impaired (more than 90 days)	6.93	60.66
Total Gross carrying value as at reporting date	**2,540.42**	**1,807.42**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,436.11	1,531.82
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	**1,436.11**	**1,531.82**

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.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented 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

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, lease and other receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

(i) RBI measures to relieve COVID-19 related stress - Resolution Frameworks Assessment of loan modifications on credit risk:

During the previous years ended 31 March 2021 and year ended 31st March 2022, the Company had implemented resolution plans in order to provide relief to borrowers adversely impacted due to onslaught of multiple waves / variants of COVID-19 Pandemic under the resolution framework 1.0 vide circular no. RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 for personal loan customers and resolution framework 2.0 vide circular No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5th May 2021. The loan modifications executed under both these schemes have not been classified as renegotiated as they are as a result of market-wide customer relief programme and not borrower-specific. The Company continues to monitor the recoverability of loans granted in accordance with these circulars and is continue to carry higher provisioning over and above the model provisioning based on the repayment behaviour on these loan accounts. (refer Note 57 for detailed disclosure as per formats provided by the RBI).

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(ii) Impact of COVID-19 related uncertainties

The outbreak of COVID-19 led to nationwide lockdown from March 2020, which gradually phased out over the next few months basis the local level spread of the pandemic. The nation was impacted by the second wave of the pandemic in the first half of the fiscal year 2022 which again slowed down the economic activities to a limited extent. Despite the successful roll out of vaccines around the world, a varying degree of uncertainty remained throughout the year ended 31st March 2022. This was caused by new variants of COVID -19, varying vaccine effectiveness and the need for reimposing of government - imposed restrictions. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the changes in the macro-economic outlook and its associated impact on the impairment calculations.

The methodologies and assumptions applied in the impairment loss allowance calculations have primarily remained unchanged from those applied while preparing the financial results for the year ended 31 March 2022. The Company has been updating the ECL model with the latest set of data on reasonable periodic intervals and continued the same for the year ended 31st March 2023, to capture the significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. Output of ECL model refresh is also factored in computation of provisions. The Company holds provision towards expected credit loss on financial assets as at 31st March 2023 aggregating to ₹ 3,294.71 crore (as at 31st March 2022: ₹ 4,508.83 crore).

(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.

(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;
- 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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.
- The measurement of risk of defaults is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.
- 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.

(vi) Measurement of ECL

ECL is measured as follows:

- **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.

(vii) Forward Looking Information

Historical PDs has been converted into forward looking PD which incorporates the forward looking economic outlook. Considering that major chunk of borrowers in the retail portfolio is from rural area, Agriculture (real change % p.a.) is used as a macroeconomic variable. Agriculture (real change % p.a.) stands for Percentage change in real agricultural value-added, including livestock, forestry and fishing, over previous year. In case of SME and Bills Discounting portfolio, Real GDP (% change p.a.) is used as the macroeconomic variable.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective portfolio segments.

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. As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

Based on the assessment by the Company, the RBI resolution framework for loan restructuring and moratorium relaxation announced in previous years to the borrowers recognising the detrimental impact of COVID-19 has not been deemed to be automatically triggering significant increase in credit risk. The Company continued to recognise interest income during the current and previous year on such cases and in the absence of other credit risk indicators, the granting of a stress resolution framework and moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

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:

- A Stage 3 customer having other loans which are in Stage 1 or 2.
- Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans
- Retail vehicle loans, where asset has been repossessed.
- Cases where Company suspects fraud and legal proceedings are initiated.
- 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

(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) Analysis of inputs to the ECL model with respect to macro-economic variable

The below table shows the values of the forward looking macro-economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Company has used the data source of Economist Intelligence Unit. The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

ECL scenario for Macro Economic Variable	Year	Upside %	Base %	Downside %
Probability Assigned		0	85	15
Agriculture (% real change p.a)	2023	6.9	4.7	1.6
	2024	7.7	5.3	2.4
	2025	7.1	4.8	1.8
	2026	7.6	5.2	2.3
	2027	6.7	4.5	1.4
Real GDP (% change p.a)	2023	10.9	6.0	1.1
	2024	11.1	6.2	1.3
	2025	11.4	6.5	1.6
	2026	11.5	6.6	1.7
	2027	11.0	6.1	1.2

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 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
Gross Balance as at 31st March 2022	47,020.87	9,112.22	4,864.19	60,997.28
Expected credit loss rate	0.91%	12.72%	57.56%	
Carrying amount as at 31st March 2022 (net of impairment provision)	46,592.65	7,953.28	2,064.33	56,610.26

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

The expected credit loss allowance provision for **SME Loans including Bills of exchange** 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 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
Gross Balance as at 31st March 2022	2,015.09	80.42	44.97	2,140.48
Expected credit loss rate	0.37%	13.70%	51.93%	
Carrying amount as at 31st March 2022 (net of impairment provision)	2,007.67	69.40	21.62	2,098.69

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 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
Gross Balance as at 31st March 2022	1,682.21	64.55	60.66	1,807.42
Expected credit loss rate	0.40%	6.73%	100.00%	
Carrying amount as at 31st March 2022 (net of impairment provision)	1,675.48	60.21	-	1,735.68

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended 31st March 2023 and that were still subject to enforcement activity was ₹ 56.64 crore (31st March 2022: Nil).

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 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
Gross Balance as at 31st March 2022	1,531.82	-	-	1,531.82
Expected credit loss rate	0.11%			
Carrying amount as at 31st March 2022 (net of impairment provision)	1,530.21	-	-	1,530.21

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for the year ended 31st March 2023

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.

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 31st March 2022 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	48,010.22	7,947.59	5,681.06	61,638.86
Changes due to loans recognised in the opening balance that have:	0.40%	5.96%	100.00%	
- Transfers to Stage 1	1,780.81	(1,366.89)	(413.92)	-
- Transfers to Stage 2	(4,850.04)	5,070.06	(220.02)	0.00
- Transfers to Stage 3	(1,178.97)	(1,125.45)	2,304.42	-
- Loans that have been derecognised during the period	(7,638.99)	(3,087.39)	(1,370.07)	(12,096.45)
New loans originated during the year	23,809.27	3,865.09	505.56	28,179.92
Write-offs	(4.61)	(52.89)	(1,495.37)	(1,552.87)
Impact of changes on items within the same stage	(12,906.81)	(2,137.90)	(127.47)	(15,172.18)
Gross carrying amount balance as at 31st March 2022	**47,020.88**	**9,112.22**	**4,864.19**	**60,997.28**

As at 31st March 2023 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2022	47,020.88	9,112.22	4,864.19	60,997.28
Changes due to loans recognised 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 derecognised 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**

Notes forming part of the Standalone Financial Statements
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Reconciliation of ECL balance

As at 31st March 2022 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	410.72	864.91	3,268.98	4,544.61
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	386.93	(148.75)	(238.18)	-
- Transfers to Stage 2	(41.49)	168.10	(126.61)	-
- Transfers to Stage 3	(10.09)	(122.48)	132.57	-
- Loans that have been derecognised during the period	(65.35)	(335.99)	(788.36)	(1,189.70)
New loans originated during the year	216.84	491.58	291.00	999.42
Write-offs	(0.04)	(5.76)	(860.46)	(866.26)
Impact of changes on items within the same stage	(469.30)	247.33	1,120.92	898.95
ECL allowance balance as at 31st March 2022	**428.22**	**1,158.94**	**2,799.86**	**4,387.02**

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**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2023 and that were still subject to enforcement activity was **₹ 1,395.13** crore (31st March 2022: ₹ 1,638.80 crore).

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 2023

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 2022 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2021	1,580.83	138.98	38.02	1,757.84
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	30.73	(30.03)	(0.70)	-
- Transfers to Stage 2	(38.10)	38.67	(0.57)	-
- Transfers to Stage 3	(13.23)	(11.68)	24.91	-
- Loans that have been derecognised during the period	(1,041.81)	(38.27)	(1.33)	(1,081.41)
New loans originated during the year	1,705.78	8.84	0.22	1,714.84
Write-offs	(0.03)	-	(13.28)	(13.31)
Impact of changes on items within the same stage	(209.09)	(26.09)	(2.30)	(237.48)
Gross carrying amount balance as at 31st March 2022	**2,015.08**	**80.42**	**44.97**	**2,140.48**

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**

Reconciliation of ECL balance

As at 31st March 2022 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1st April 2021	5.76	12.60	16.24	34.60
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	2.98	(2.57)	(0.41)	-
- Transfers to Stage 2	(0.20)	0.53	(0.33)	-
- Transfers to Stage 3	(0.10)	(1.12)	1.22	-
- Loans that have been derecognised during the period	(2.12)	(3.51)	(0.95)	(6.58)
New loans originated during the year	5.49	0.61	0.15	6.25
Write-offs	-	-	(5.89)	(5.89)
Impact of changes on items within the same stage	(4.38)	4.49	13.31	13.42
ECL allowance balance as at 31st March 2022	**7.43**	**11.03**	**23.34**	**41.80**

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

As at 31st March 2023 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 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**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2023 and that were still subject to enforcement activity was **₹ 7.46 crore** (31 March 2022: ₹ 14.72 crore).

The increase in ECL provisions was driven by increase in the gross size of the portfolio.

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 2022 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1 April 2021	61.62	-	-	61.62
New Exposures	44.77	-	-	44.77
Exposure derecognised or matured/ lapsed (excluding write-offs)	(61.62)	-	-	(61.62)
- 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 2022	**44.77**	**-**	**-**	**44.77**

As at 31st March 2023 ₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at 1 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**

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Reconciliation of ECL balance

As at 31st March 2022

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	1.18	-	-	1.18
New Exposures	0.17	-	-	0.17
Exposure derecognised or matured/ lapsed (excluding write-offs)	(1.18)	-	-	(1.18)
- 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 2022	**0.17**	**-**	**-**	**0.17**

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**

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

As at 31st March 2022

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1st April 2021	3,787.25	-	-	3,787.25
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	(2,481.44)	-	-	(2,481.44)
New Investments originated during the year	230.86	-	-	230.86
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(4.85)	-	-	(4.85)
Gross carrying amount balance as at 31st March 2022	**1,531.81**	**-**	**-**	**1,531.81**

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

As at 31st March 2023

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 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**

Reconciliation of ECL balance

As at 31st March 2022

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	0.41	-	-	0.41
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	(0.41)	-	-	(0.41)
New Investments originated during the year	1.61	-	-	1.61
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31st March 2022	**1.61**	**-**	**-**	**1.61**

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**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended 31st March 2023 and that were still subject to enforcement activity was nil (31st March 2022: 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.

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 2023	31st March 2022
Concentration by Geographical region in India:		
North	25,317.81	19,268.21
East	17,970.43	16,293.45
West	23,496.90	16,784.94
South	15,957.42	12,598.58
Total Gross Carrying Value	**82,742.56**	**64,945.18**

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:

₹ in crores

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Upton 50%	5,552.29	5,209.78	1,088.20	606.87
51 - 70%	11,237.76	9,540.86	724.50	229.98
71 - 100%	43,909.81	32,258.89	1,014.19	51.12
Above 100%	14,176.26	13,161.38	81.41	29.46
	74,876.12	**60,170.91**	**2,908.30**	**917.43**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 SME loans in Stage 3	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Upto 50%	53.62	185.68	14.92	13.60
51 - 70%	67.32	176.51	0.89	22.23
71 - 100%	263.31	504.33	21.71	0.26
Above 100%	3,270.85	3,997.67	12.17	8.88
	3,655.10	**4,864.19**	**49.69**	**44.97**

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

31st March 2023	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

₹ in crores

31st March 2022	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	4,864.19	3,818.05	-	-	-	(694.56)	3,123.49	1,740.70	2,799.86
SME Loans	44.97	1.80	40.90	76.47	1.85	(83.07)	37.94	7.03	23.34

49.3 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

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Non-derivative financial liabilities

₹ in crores

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above
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**
As at 31st March 2022				
Trade Payable:	1,005.28	-	-	-
Debt Securities:				
- Principal	4,583.31	7,324.81	2,602.90	3,778.00
- Interest	1,334.02	1,879.26	935.55	1,403.35
Borrowings (Other than Debt Securities):				
- Principal	11,522.87	13,078.99	1,409.82	0.11
- Interest	861.31	845.99	40.86	0.00
Deposit:				
- Principal	4,769.74	3,141.74	535.58	-
- Interest	733.25	597.90	101.26	-
Subordinated liabilities:				
- Principal	70.00	414.46	1,108.01	1,560.98
- Interest	271.42	517.52	533.55	480.56
Other financial liabilities:	1,816.73	388.94	78.97	31.51
Total	**26,967.93**	**28,189.61**	**7,346.50**	**7,254.51**

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 2023

₹ in crores

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
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	**-**	**-**	**-**	**-**
As at 31st March 2022				
Gross settled:				
Foreign exchange forward contracts				
- Payable	37.17	-	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	2.67	-	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	48.93	102.62	-
- Receivable	27.43	-	-	-
Total Payable	**39.84**	**48.93**	**102.62**	**-**
Total Receivable	**27.43**	**-**	**-**	**-**

49.4 a) Financial Instruments regularly measured using Fair Value - recurring items

₹ in crores

Type of instrument	Financial assets / financial liabilities	Category	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
			As at 31st March 2023	As at 31st March 2022					
1) Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(35.87)	(38.70)	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.		

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

₹ in crores

Type of instrument	Financial assets / financial liabilities	Category	Fair Value As at 31st March 2023	Fair Value As at 31st March 2022	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
2) Currency options	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(144.83)	(116.90)	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	-	834.47	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	94.12	-	Level 1	Quoted market price			
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	1,973.02	-	Level 1	Quoted market price			
6) Investment in equity instruments-Quoted	Financial Assets	Financial instrument measured at FVTPL	0.06	0.24	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	5,117.89	4,662.84	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
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	-	-	-
Disposals made during the year	-	-	-
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Closing balance	**42.38**	**-**	**42.38**
Year ended 31st March 2022			
Opening balance	16.37	-	16.37
Total gains or losses recognised:			
In Profit or loss			
a) in profit or loss	-	-	-
b) in other comprehensive income	26.01	-	26.01
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 2023	31st March 2022
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 2023 and 2022 respectively.

Notes forming part of the Standalone Financial Statements

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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 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 amortised 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**	**-**
As at 31st March 2022					
Financial assets					
a) Cash and cash equivalent	327.87	327.87	327.87	-	-
b) Bank balances other than cash and cash equivalent	3,822.82	3,822.82	3,822.82	-	-
c) Trade Receivables	9.09	9.09	-	9.09	-
d) Loans and advances to customers	60,444.64	60,767.89	-	-	60,767.89
e) Financial investments - at amortised cost	1,530.21	1,583.85	1,358.47	225.38	-
f) Other financial assets	223.13	226.63	-	226.63	-
Total	**66,357.76**	**66,738.15**	**5,509.16**	**461.10**	**60,767.89**
Financial liabilities					
a) Trade Payables	1,005.28	1,005.28	-	1,005.28	-
b) Debt securities	18,252.71	19,771.64	19,771.64	-	-
c) Borrowings other than debt securities	26,005.17	26,054.92	-	26,054.92	-
d) Deposits	8,426.19	9,318.36	-	9,318.36	-
e) Subordinated Liabilities	3,129.85	3,570.69	3,570.69	-	-
f) Other financial liability	2,316.17	2,318.77	-	2,318.77	-
Total	**59,135.37**	**62,039.66**	**23,342.33**	**38,697.33**	**-**

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 50

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

	As at 31st March 2023			As at 31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Cash and cash equivalents	249.75	-	249.75	327.87	-	327.87
Bank balance	2,582.31	-	2,582.31	3,822.82	-	3,822.82
Derivative financial instruments	-	-	-	26.63	-	26.63
Trade receivables	21.84	-	21.84	9.09	-	9.09
Loans	32,000.40	47,454.33	79,454.73	26,878.84	33,565.80	60,444.64
Investments	2,784.59	7,204.03	9,988.62	1,472.42	6,967.85	8,440.27
Other financial assets	170.95	1,418.33	1,589.28	63.90	159.23	223.13
Current tax assets (Net)	-	504.36	504.36	-	462.40	462.40
Deferred tax Assets (Net)	-	637.24	637.24	-	836.42	836.42
Property, plant and equipment	-	681.20	681.20	-	383.10	383.10
Other Intangible assets	-	14.35	14.35	-	9.77	9.77
Other non-financial assets	271.18	221.69	492.87	152.24	150.35	302.59
Total Assets	**38,081.02**	**58,135.53**	**96,216.55**	**32,753.81**	**42,534.92**	**75,288.73**
Liabilities						
Financial Liabilities						
Derivative financial instruments	49.36	131.34	180.70	38.70	143.52	182.22
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	1,166.31	-	1,166.31	1,005.28	-	1,005.28
Debt Securities	8,775.60	15,969.47	24,745.07	4,575.71	13,677.00	18,252.71
Borrowings (Other than Debt Securities)	16,514.37	24,719.69	41,234.06	11,520.88	14,484.29	26,005.17
Deposits	1,834.08	3,690.52	5,524.60	4,764.54	3,661.65	8,426.19
Subordinated Liabilities	140.12	3,302.01	3,442.13	69.94	3,059.91	3,129.85
Other financial liabilities	1,867.54	516.74	2,384.28	1,826.51	489.66	2,316.17
Non-Financial Liabilities						
Current tax liabilities (Net)	51.75	13.92	65.67	-	13.92	13.92
Provisions	167.25	93.49	260.74	118.27	103.08	221.35
Other non-financial liabilities	114.30	9.78	124.08	105.35	2.43	107.78
Total Liabilities	**30,680.68**	**48,446.96**	**79,127.64**	**24,025.18**	**35,635.46**	**59,660.64**
Net	**7,400.34**	**9,688.57**	**17,088.91**	**8,728.63**	**6,899.46**	**15,628.09**
Other undrawn commitments	154.30	-	154.30	44.77	-	44.77
Total commitments	**154.30**	**-**	**154.30**	**44.77**	**-**	**44.77**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 51

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
Mahindra Water Utilities 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
Martial Soleren Pvt. Limited
Mahindra Heavy Engines Limited
Mahindra Teqo Pvt Limited
Mahindra Finance USA, Inc

d) Joint Ventures / Associates:
(entities on whom control is exercised)
Mahindra Manulife Investment Management Pvt. Ltd.
Mahindra Manulife Trustee Pvt. Ltd.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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
- Mr. Dhananjay Mungale
- Mr. C. B. Bhave
- Ms. Rama Bijapurkar
- Mr. Milind Sarwate
- Mr. Amit Kumar Sinha
- Mr. Amit Raje (*Ceased to be a director w.e.f. 28 July 2022*)
- Dr. Rebecca Nugent
- Mr. Siddhartha Mohanty (*w.e.f. 01 April 2022*)
- Mr. Diwakar Gupta (*w.e.f. 01 January 2023*)

g) Relatives of Key Management Personnel
(where there are transactions)
- Ms. Janaki Iyer
- Mr. Dinesh Iyer

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

RELATED PARTY TRANSACTIONS

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Subvention / Incentive income												
- Mahindra & Mahindra Limited	72.97	16.34	-	-	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	2.35	0.30	-	-	-	-	-	-
Lease rental income												
- Mahindra & Mahindra Limited	59.08	20.38	-	-	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	0.30	0.20	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	0.04	0.01	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.13	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.29	-	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	0.21	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.19	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	0.17	-	-	-	-	-	-	-
- Mahindra Integrated Business solution	-	-	-	-	0.08	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	0.08	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	0.09	-	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	0.10	-	-	-	-	-	-	-
Interest income												
- Mahindra & Mahindra Limited	1.47	3.61	-	-	-	-	-	-	-	-	-	-
Income from sharing services												
- Mahindra & Mahindra Limited	0.18	0.57	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	5.29	6.48	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	3.30	2.18	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	0.62	0.62	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	0.01	0.01	-	-	-	-
Dividend Income												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
- Mahindra Insurance Brokers Limited	-	-	4.12	2.47	-	-	-	-	-	-	-	-
Interest expense												
- Mahindra & Mahindra Limited	0.47	3.20	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	14.78	7.66	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	10.80	15.84	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Vehicle Manufacturers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Intertrade Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	0.15	0.28	-	-	-	-	-	-
- Mahindra Engineering & Chemical Products Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.04	0.06	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	8.02	9.45	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.05	0.05	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.28	0.31
Other expenses												
- Mahindra & Mahindra Limited	53.44	40.32	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	3.67	49.49	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	-	0.02	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	22.83	17.86	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	2.28	3.68	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	0.02	0.35	-	-	-	-	-	-
- Mahindra Vehicle Manufacturers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	45.42	24.47	-	-	-	-	-	-
- Mahindra Engineering & Chemical Products Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	0.20	0.01	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	0.30	0.20	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	0.05	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.03	-	-	-	-	-	-	-
- Others	-	-	-	-	0.66	0.06	-	-	-	-	-	-
Remuneration												
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	7.09	7.46	-	-
- Mr. Amit Raje	-	-	-	-	-	-	-	-	8.37	3.51	-	-
Sitting fees and commission												
- Mr. C. B. Bhave	-	-	-	-	-	-	-	-	0.52	0.46	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	-	-	0.53	0.47	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	-	-	0.48	0.42	-	-
- Mr. Milind Sarwate	-	-	-	-	-	-	-	-	0.56	0.47	-	-
- Dr. Rebecca Nugent	-	-	-	-	-	-	-	-	0.42	0.38	-	-
- Mr. Diwakar Gupta	-	-	-	-	-	-	-	-	0.12	-	-	-
Reimbursement from parties												
- Mahindra & Mahindra Limited	16.20	35.20	-	-	-	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	4.09	4.65	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	0.06	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement to parties												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.32	1.76	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	2.56	2.33	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	-	0.02	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	130.34	114.27	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	9.77	5.51	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Sale of fixed assets												
- Mahindra Rural Housing Finance Limited	-	-	0.02	0.21	-	-	-	-	-	-	-	-
Investments made												
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Ideal Finance Ltd	-	-	-	33.97	-	-	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	-	-	47.50	184.65	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	2.10	11.99	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.86	0.90	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	5.00	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.80	0.91	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.18	1.82
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	-	-	93.65	73.50	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	1.55	0.90	-	-	-	-	-	-
- Mahindra & Mahindra Limited	13.01	2.32	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	15.00	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.91	0.79	-	-
- Others	-	-	-	-	-	-	-	-	-	-	1.83	2.03
Dividend paid												
- Mahindra & Mahindra Limited	231.98	51.55	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	0.92	0.27	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.59	0.14	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	-	-	0.01	0.00	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	0.00	-	0.00	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	93.00	4.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	200.00	-	-	-	-	-	-
- Mahindra Vehicle Manufacturers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	4.26	-	-	-	-	-	-
- Mahindra Intertrade Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	140.00	-	-	-	-	-	-
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	4.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	500.00	-	-	-	-	-	-
- Mahindra Vehicle Manufacturers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	4.26	3.75	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	180.00	-	-	-	-	-	-
- Mahindra Intertrade Limited	-	-	-	-	-	-	-	-	-	-	-	-
Debentures issued												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Debentures matured												
- Mahindra & Mahindra Limited	-	95.00	-	-	-	-	-	-	-	-	-	-
Balances as at the end of the year												
Receivables												
- Mahindra & Mahindra Limited	22.56	6.81	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.21	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.01	1.06	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	0.05	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	0.01	0.01	-	-	-	-
- NBS International Limited	-	-	-	-	0.92	1.41	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	-	0.10	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.06	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.04	-	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	0.03	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	0.01	-	-	-	-	-	-	-
Loan given (including interest accrued but not due)	-	-	-	-	-	-	-	-	-	-	-	-
- 2 x 2 Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Construction Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
- Mahindra Rural Housing Finance Limited	-	-	799.30	799.30	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.45	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	-	-	-	-
- 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	-	-	-	-	-	-
Payables												
- Mahindra & Mahindra Limited	1.56	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	10.72	-	-	-	-	-	-	-	
- Mahindra First Choice Wheels Limited	-	-	-	-	5.76	6.71	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	0.37	0.16	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
- Mahindra Integrated Business Solutions Limited	-	-	-	-	0.59	0.40	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.59	-	-	-	-	-	-	-
- Others	-	-	-	-	-	0.01	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	100.64	4.02	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	217.26	207.54	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	4.28	-	-	-	-	-	-
- Mahindra Intertrade Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	152.28	145.35	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	4.48	15.69	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	157.48	199.88	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.21	0.93	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	5.29	5.01	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	0.01	0.92	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.06	4.39

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 2023

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 2023	31st March 2022
- Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
	Gross Salary including perquisites	6.77	4.47
	Commission	-	1.28
	Stock Option	-	1.45
	Others - Contribution to Funds	0.39	0.33
		7.16	**7.53**
Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit)			
(Ceased to be a director w.e.f 28 July 2022)	Gross Salary including perquisites	4.02	2.79
	Commission	-	-
	Stock Option	4.35	0.70
	Others - Contribution to Funds	0.07	0.09
		8.44	**3.58**
Mr. Dhananjay Mungale (Independent Director)			
	Commission	0.30	0.32
	Sitting fees	0.18	0.17
		0.48	**0.49**
Ms. Rama Bijapurkar (Independent Director)			
	Commission	0.30	0.25
	Sitting fees	0.13	0.12
		0.43	**0.37**
Mr. C.B. Bhave (Independent Director)			
	Commission	0.30	0.25
	Sitting fees	0.17	0.16
		0.47	**0.41**
Mr. Milind Sarwate (Independent Director)			
	Commission	0.30	0.21
	Sitting fees	0.21	0.13
		0.51	**0.34**
Dr. Rebecca Nugent			
	Commission	0.30	0.02
	Sitting fees	0.07	0.07
		0.37	**0.09**
Diwakar Gupta			
(Appointed w.e.f. 1 January 2023)	Commission	-	-
	Sitting fees	0.03	-
		0.03	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

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) 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 (considered as Subsidiary w.e.f. 8 July 2021) (Formerly known as Ideal Finance Limited)	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	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 forming part of the Standalone Financial Statements

for the year ended 31st March 2023

As at 31st March 2022

₹ in crores

Particulars	Relation	Balance as on 1 April 2021	Advances / investments	Repayments/ sale	Balance as on 31st March 2022
(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	44.00	33.97	-	77.97
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	0.01	-	0.02
		1,259.62	**33.98**	**-**	**1,293.59**
Total		**1,259.62**	**33.98**	**-**	**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 2023

Note : 52

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 2023		As at 31st March 2022	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities				
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :**				
	(a) Debentures :				
	- Secured	20,716.06	-	17,843.39	-
	- Unsecured	1,076.04	-	860.69	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	30,820.00	-	15,335.00	-
	(d) Inter-corporate loans and Other Borrowings	984.66	-	361.18	-
	(e) Commercial Paper	3,936.00	-	496.56	-
	(f) Public Deposits	5,309.42	-	7,352.38	-
	(g) Fixed Deposits accepted from Corporates	564.80	-	1,658.15	-
	(h) External Commercial Borrowings	2,583.92	-	2,216.79	-
	(i) Associated liabilities in respect of securitisation transactions	6,723.77	-	8,094.52	-
	(j) Subordinate debt (including NCDs issued through Public issue)	3,705.34	-	3,373.29	-
	(k) Other Short Term Loans and credit facilities from banks	255.87	-	85.00	-
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	5,309.42	-	7,352.38	-

		Amount Outstanding	
		As at 31st March 2023	As at 31st March 2022
	Asset side:		
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured	-	-
	(b) Unsecured	4,607.48	3,265.62
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	2.18	1.22

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

	Amount Outstanding	
	As at 31st March 2023	As at 31st March 2022
(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	70.23	167.27
(b) Loans other than (a) above	74,796.68	57,019.62
5) Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	8.92	6.86
(iii) Units of mutual funds	-	834.47
(iv) Government Securities	588.58	467.15
(v) Investments in Certificate of Deposits with Banks	1,973.02	-
(vi) Investments in Commercial Papers	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	163.93
(viii) Investment in Triparty Repo Dealing System (TREPS)	-	-
Long Term Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	0.06	0.24
(b) Preference	-	-
(ii) Debentures and Bonds (Bonds of FCI NCDs of NABARD)	377.40	286.55
(iii) Units of mutual funds	-	-
(iv) Government Securities	5,550.13	5,340.94
2. Unquoted :		
(i) Shares :		
(a) Equity	1,271.97	1,326.48
(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	12.06

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

6) Borrower group-wise classification assets financed as in (3) and (4) above :

Category	As at 31st March 2023			As at 31st March 2022		
	Amount net of provisions			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	74,866.91	4,609.66	79,476.57	57,186.89	3,266.84	60,453.73
Total	**74,866.91**	**4,609.66**	**79,476.57**	**57,186.89**	**3,266.84**	**60,453.73**

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31st March 2023		As at 31st March 2022	
	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	877.72	877.72	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	8,717.63	8,662.14	7,115.40	7,113.79
Total	**10,044.11**	**9,988.62**	**8,441.88**	**8,440.27**

8) Other information:

Particulars	As at 31st March 2023	As at 31st March 2022
	Amount	Amount
i) Gross Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	3,717.10	4,976.30
ii) Net Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	1,507.08	2,085.95
iii) Assets acquired in satisfaction of debt :	1.65	1.83

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 53

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 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'.

I) Capital

Particulars	As at 31st March 2023	As at 31st March 2022
CRAR (%)	22.52%	27.75%
CRAR-Tier I Capital (%)	19.87%	24.24%
CRAR-Tier II Capital (%)	2.65%	3.51%
Amount of subordinated debt raised as Tier-II capital (₹ in crores)	380.00	132.90
Amount raised by issue of Perpetual Debt Instruments	-	-

II) Investments

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	9,755.59	8,153.36
(b) Outside India	288.52	288.52
(ii) Provisions for Depreciation		
(a) In India	0.98	1.61
(b) Outside India	54.51	-
(iii) Net Value of Investments		
(a) In India	9,754.61	8,151.75
(b) Outside India	234.01	288.52
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	1.61	0.41
(ii) Add : Provisions made during the year	54.51	1.61
(iii) Less : Write-off / write-back of excess provisions during the year	(0.63)	(0.41)
(iv) Closing balance	55.49	1.61

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

III) Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

₹ in crores

	As at 31st March 2023	As at 31st March 2022
(i) The notional principal of swap agreements	2,731.11	2,258.50
(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))	(180.70)	(155.60)

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 sizeable 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 2023

Quantitative Disclosures –

d) Foreign currency non-repatriate loans availed:

₹ in crores

	As at 31st March 2023		As at 31st March 2022	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)				
- For hedging		2,731.11		2,258.50
(ii) Marked to Market Positions [1]				
(a) Asset (+) Estimated gain	-		26.63	
(b) Liability (-) Estimated loss	(162.83)	(17.87)	(179.56)	(2.67)
(iii) Credit Exposure [2]	-	-	-	-
(iv) Unhedged Exposures	-	-	-	-

IV) Disclosures relating to Securitisation

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 24 September 2021.

₹ in crores

Sr. No.	Particulars	As at 31st March 2023	As at 31st March 2022
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)	21	21
2)	Total amount of securitised assets as per books of the SPEs	6,718.60	8,089.20
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	1,981.38	1,718.05
	Others	-	-
	b) On-balance sheet exposures		
	First loss		
	- Cash collateral term deposits with banks	122.08	305.05
	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	678.83	1,083.90
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	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)	3,954.85	3,569.13
	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.	18.96	21.08
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	2,023.10	2,032.59
	b) Additions during the year (Fresh Transactions)	427.31	395.19
	c) Top Up during the year	538.82	47.44
	d) Reductions during the year (Matured Transactions)	346.95	404.68
	e) Withdrawal during the year	538.82	47.44
	f) Closing Balance Outstanding	2,103.46	2,023.10
	Excess Interest Spread (EIS) (Amount Held In Trust):		
	a) Opening Balance Outstanding	679.46	438.12
	b) Additions during the year (Fresh Transactions)	15.04	46.90
	c) Top Up during the year	465.94	421.41
	d) Reductions during the year (Matured Transactions)	194.88	116.48
	e) Withdrawal during the year	-	110.49
	f) Closing Balance Outstanding	965.56	679.46
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*	9.46%	10.82%
	b) Auto Loans*	6.84%	7.48%
	* % 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

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

VI) Exposures

a) Exposure to Real Estate Sector (refer note no. 55 (A) (1))

b) Exposure to Capital Market (refer note no. 55 (A) (2))

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2022-23, 50% (31st March 2022: 47%) 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 2023, the amount of unsecured advances stood at ₹ 4,638.98 crore (31st March 2022: ₹3,363.35 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

i) The Reserve Bank of India ("RBI") vide its press release dated 22 September 2022 had directed the Company to cease carrying out any recovery or repossession activity through outsourcing arrangements. The said prohibition was lifted by RBI effective 4 January 2023 based on the submissions made by the Company and its commitment to strengthen its recovery practices and outsourcing arrangements, tighten the process of onboarding third party agents and strengthen accountability framework as per its Board approved action plan.

ii) The RBI had by an order dated 5 April 2023 imposed a monetary penalty of ₹ 6.77 crore on the Company for deficiencies in regulatory compliance with the RBI directions on fair practices relating to disclosure of annualised rate of interest charged on loans to certain borrowers at the time of sanction and failure to give notice of change in terms and conditions of loan to these borrowers. The Company has paid the said penalty amount.

iii) BSE Limited had imposed a fine of ₹ 1.4 Lakh + GST under Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 for inadvertent delay of 1 day in intimation of record date to the stock exchange in the month of March 2022 for payment of interest on non-convertible debentures. The Company has paid the said penalty amount.

c) Related Party Transactions

(refer note 51)

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 upgraded the rating of the Company's Long-term Debt Instruments, Subordinated Debt programme and Bank Facilities as 'CRISIL AAA/ Stable' and the Company's Fixed Deposit Programme as 'CRISIL AAA/Stable', respectively. The 'AAA/Stable' rating indicates a highest degree of safety with regard to timely servicing of financial obligations. The rating on the Company's Short-term Bank Loans and Commercial Paper has been reaffirmed at 'CRISIL A1+' which indicates very strong degree of safety regarding timely payment of financial obligations.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 instrument and Subordinated Debt programme to 'IND AAA/Stable' and Principal protected market linked debenture: IND PP-MLD AAA/Stable. The Company's Short Term Commercial Paper has been rated at IND A1+ and as assigned IND-AAA/STABLE ratio to the Company's Fixed Deposit Programme.

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.

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 Significant 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 2023	As at 31st March 2022
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	(0.64)	1.21
Provision towards non-performing assets (Stage 3 assets)	(680.32)	(461.71)
Provision made towards Income tax	486.28	348.16
Other Provision and Contingencies	0.26	(1.01)
Provision for diminution in the fair value of restructured advances	-	-
Provision for Standard Assets (Stage 1 and Stage 2 assets)	(533.81)	316.94

Draw Down from Reserves

Year ended March 31, 2023: Nil

Year ended March 31, 2022: Nil

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
Total Deposits of twenty largest depositors	389.59	1,164.66
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	7.1%	13.8%

b) Concentration of Advances

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
Total Advances to twenty largest borrowers	1,587.51	873.40
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.9%	1.3%

c) Concentration of Exposures

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
Total Exposure to twenty largest borrowers / customers	1,587.51	873.40
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.9%	1.3%

d) Concentration of NPAs

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
Total Exposure to top four NPA accounts	34.90	52.60

e) Sector-wise NPAs*

Particulars	As at 31st March 2023	As at 31st March 2022
	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
i) Agriculture & allied activities	5.3%	9.9%
ii) Auto loans	4.7%	7.5%
iii) MSME	1.1%	2.1%
iv) Corporate borrowers	1.6%	4.2%
v) Unsecured personal loans	1.6%	3.9%
vi) Other personal loans	-	-
vii) Services	-	-

* NPA represent stage 3 assets

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

f) Movement of NPAs*

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
i) Net NPAs to Net Advances (%)	1.87%	3.36%
ii) Movement of NPAs (Gross)		
(a) Opening balance	4,976.30	5,785.94
(b) Additions during the year	2,071.15	2,706.62
(c) Reductions during the year	(3,330.35)	(3,516.26)
(d) Closing balance	3,717.10	4,976.30
iii) Movement of Net NPAs		
(a) Opening balance	2,085.95	2,433.88
(b) Additions during the year	811.31	1,147.16
(c) Reductions during the year	(1,390.19)	(1,495.09)
(d) Closing balance	1,507.08	2,085.95
iv) Movement of provisions for NPAs		
(a) Opening balance	2,890.35	3,352.06
(b) Provisions made during the year	1,259.84	1,559.46
(c) Write-off / write-back of excess provisions	(1,940.16)	(2,021.17)
(d) Closing balance	2,210.03	2,890.35

* 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 2023	As at 31st March 2022
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	4,608.95	4,076.51
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	127.67	127.95

XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

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 2023

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31 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 years & 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

As at March 31 2022

₹ 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 years & up to 5 years	Over 5 years	Total
Deposits	57.66	86.96	226.38	383.69	443.20	1,504.95	2,061.71	3,128.86	532.78	-	8,426.19
Advances	1,103.66	1,031.26	3,502.25	2,738.61	2,650.45	5,748.74	10,103.87	26,602.71	6,739.79	223.30	60,444.64
Investments	845.95	-	21.16	54.37	43.34	112.73	394.87	1,006.60	2,578.41	3,382.84	8,440.27
Borrowings	-	-	976.01	1,032.14	2,392.83	3,094.66	7,422.12	20,083.87	4,892.90	5,315.68	45,210.21
Foreign Currency Assets	-	-	-	-	-	-	-	-			-
Foreign Currency liabilities	-	-	-	-	-	681.86	566.91	718.23	210.52	-	2,177.52

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

Note : 54

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 2023

Sr. no.	Type of instrument	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%

As at 31st March 2022

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (₹ in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	21	34,251.07	406.5%	57.41%

ii) Top 20 large deposits (amount in ₹ in crores and % of total deposits)

As at 31st March 2023

Description	Amount (₹ in crores)	% of Total deposits
Total for Top 20 large deposits	389.59	7.1%

As at 31st March 2022

Description	Amount (₹ in crores)	% of Total deposits
Total for Top 20 large deposits	1,164.66	13.82%

iii) Top 10 borrowings (amount in ₹ in crores and % of total borrowings)

As at 31st March 2023

Description	Amount (₹ in crores)	% of Total borrowings
Total for Top 10 borrowings	41,451.18	55.31%

As at 31st March 2022

Description	Amount (₹ in crores)	% of Total borrowings
Total for Top 10 borrowings	25,577.93	45.83%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

iv) Funding Concentration based on significant instrument/product

Sr. no.	Name of the instrument/product	As at 31st March 2023		As at 31st March 2022	
		Amount (₹ in crores)	% of Total liabilities	Amount (₹ in crores)	% of Total liabilities
1	Non-convertible debentures (Secured)	20,459.27	25.86%	17,406.37	29.18%
2	Term loans from banks (including FCNR loans)	30,707.15	38.81%	15,390.19	25.80%
3	External Commercial Borrowings	2,550.71	3.22%	2,177.52	3.65%
4	Associated liabilities in respect of securitisation transactions	6,718.60	8.49%	8,089.20	13.56%
5	Public deposits	5,524.60	6.98%	8,426.19	14.12%
6	Subordinated redeemable non-convertible debentures	3,442.13	4.35%	3,129.85	5.25%
7	Commercial Papers (Unsecured)	3,936.00	4.97%	-	-
8	Inter-corporate deposits (ICDs)	937.62	1.18%	-	-
		74,276.08	**93.87%**	**54,619.32**	**91.55%**
	Funding Concentration pertaining to insignificant instruments/products	669.78	0.85%	1,194.60	2.00%
	Total borrowings under all instruments/ products	**74,945.86**	**94.72%**	**55,813.92**	**93.55%**

v) Stock Ratios

As at 31st March 2023

Sr. no.	Name of the instrument/product	Amount (₹ in crores)	% 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%

As at 31st March 2022

Sr. no.	Name of the instrument/product	Amount (₹ in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	496.56	0.89%	0.83%	0.66%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	1,924.20	3.45%	3.23%	2.56%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 monitored. The Company maintains a positive cumulative mismatch in all buckets. As on March 31, 2023, the Company maintained a liquidity buffer of approximately ₹10,450 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 55

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 19 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 22 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 19 April 2022, requiring NBFCs to make certain additional disclosures in their financial statements in accordance with the SBR framework.

Section - I

A) Exposure

1) Exposure to Real Estate Sector

₹ in crores

Category	As at 31st March 2023	As at 31st March 2022
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 securitised 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	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

2) Exposure to Capital Market

₹ in crores

Category	As at 31st March 2023	As at 31st March 2022
(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	-	-
(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	**-**	**-**

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

3) Sectoral exposure

₹ in crores

Sectors	As at 31st March 2023			As at 31st March 2022		
	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	14,218.54	795.36	5.6%	12,461.16	1,272.56	10.2%
2) Industry						
i) Micro and Small	2,051.24	26.81	1.3%	745.82	17.34	2.3%
ii) Medium	585.07	3.34	0.6%	357.92	11.81	3.3%
iii) Large	1,915.44	19.54	1.0%	1,077.71	15.82	1.5%
iv) Others - Trade advances to Dealers	2,599.15	6.93	0.3%	1,807.42	60.66	3.4%
Total of Industry	7,150.90	56.62	0.8%	3,988.87	105.63	2.6%
3) Services						
i) Transport Operators	26,471.29	1,402.71	5.3%	22,128.72	1,833.91	8.3%
ii) Others	-	-	-	-	-	-
Total of Services	26,471.29	1,402.71	5.3%	22,128.72	1,833.91	8.3%
4) Retail / Personal loans						
i) Consumer Durables	170.45	5.08	3.0%	62.64	2.74	4.4%
ii) Vehicle/Auto Loans	33,553.44	1,390.74	4.1%	25,398.58	1,650.83	6.5%
iii) Personal loans	388.72	3.66	0.9%	286.84	10.50	3.7%
iv) Others	970.82	62.93	6.5%	678.74	100.13	14.8%
Total of Retail / Personal loans	35,083.43	1,462.41	4.2%	26,426.80	1,764.20	6.7%
5) Others (if any; to specify)	-	-	-	-	-	-
	82,924.16	**3,717.10**	**4.5%**	**65,005.55**	**4,976.30**	**7.7%**

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.

4) Intra-group exposures

₹ in crores

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
i) Total amount of intra-group exposures	1,532.87	1,326.48
ii) Total amount of top 20 intra-group exposures	1,532.87	1,326.48
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	1.65%	1.81%

Notes forming part of the Standalone Financial Statements
for the year ended 31st March 2023

5) Unhedged foreign currency exposure

Details of its unhedged foreign currency exposures:

As at 31st March 2023: Nil

As at 31st March 2022: 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

₹ in crores

Sr no	Particulars	As at 31st March 2023	As at 31st March 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	179	763
2	Number of complaints received during the year	16,549	19,050
3	Number of complaints disposed during the year	16,570	19,634
	3.1 Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	158	179
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	407	-
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	385	-
	5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	16	-
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	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.

* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

2) Top five grounds of complaints received by the NBFCs from customers

₹ in crores

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 2023					
Loan and advances	82	11,176	-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
Year ended 31st March 2022					
Loan and advances	366	13,056		82	17
Staff behaviour	236	2,029		49	7
Levy of charges without prior notice/ excessive charges/ foreclosure charges	38	1,422		6	-
Fixed deposit related	-	674		-	-
Difficulty in operation of accounts	-	23		-	-
Others	123	1,846		42	4
Total	763	19,050	0	179	28

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 2022, 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 2023

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 31st March 2023

₹ 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	-	-	-	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 2023

₹ 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	(0.12)	0.01	0.01	0.35	0.06	0.06	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-
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**	**-**	**-**	**-**	**-**	**-**	**-**

₹ 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	-	-	-	88.74	470.18	478.23
2	Deposits	-	-	-	(57.52)	167.53	222.81
3	Placement of deposits	-	-	-	-	-	-
4	Advances	-	-	-	2.39	-	-
5	Investments	-	-	-	-	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 2023

Related Party Disclosure for the year ended 31st March 2022

₹ 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	-	-	-	-	4.02	4.28	(339.49)	357.18	694.34	-	-	-
2	Deposits	9.67	15.69	16.18	111.15	199.88	212.15	(10.00)	5.93	16.45	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	2.05	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	877.72	877.72	-	9.52	9.52	-	406.35	406.35
6	Purchase of fixed/ other assets	114.27	-	-	-	-	-	5.51	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	0.21	-	-	-	-	-	-	-	-
8	Interest paid	3.20	-	-	7.66	-	-	25.63	-	-	-	-	-
9	Interest received	3.61	-	-	-	-	-	-	-	-	-	-	-
10	Others												
	- Dividend paid	51.55	-	-	0.27	-	-	-	-	-	-	-	-
	- Lease rental income	20.38	-	-	-	-	-	0.21	-	-	-	-	-
	- Reimbursement from parties	35.20	-	-	-	-	-	4.65	-	-	0.06	-	-
	- Investments made	-	-	-	33.97	-	-	-	-	-	-	-	-
	- Subvention/ Incentive	16.34	-	-	-	-	-	0.30	-	-	-	-	-
	- Other Transactions	133.85	6.81	-	62.41	11.79	-	48.97	8.79	-	0.63	0.06	-
	Total	**390.11**	**22.50**	**16.18**	**215.67**	**1,093.40**	**1,094.14**	**(264.23)**	**381.42**	**720.31**	**0.69**	**406.40**	**406.35**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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	0.11	0.92	0.92	(0.21)	4.39	4.39	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-
6	Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
8	Interest paid	0.05	-	-	0.31	-	-	-	-	-	-	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-
10	Others												
-	Dividend paid	0.15	-	-	-	-	-	-	-	-	-	-	-
-	Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-
-	Reimbursement from parties	-	-	-	-	-	-	-	-	-	-	-	-
-	Investments made	-	-	-	-	-	-	-	-	-	-	-	-
-	Subvention/ Incentive	-	-	-	-	-	-	-	-	-	-	-	-
-	Other Transactions	13.17	-	-	-	-	-	-	-	-	-	-	-
	Total	**13.47**	**0.92**	**0.92**	**0.10**	**4.39**	**4.39**	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

₹ 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	-	-	-	(339.49)	361.20	698.62
2	Deposits	-	-	-	110.72	226.81	250.09
3	Placement of deposits	-	-	-	-	-	-
4	Advances	-	-	-	2.05	-	-
5	Investments	-	-	-	-	1,293.58	1,293.58
6	Purchase of fixed/other assets	-	-	-	119.78	-	-
7	Sale of fixed/other assets	-	-	-	0.21	-	-
8	Interest paid	-	-	-	36.85	-	-
9	Interest received	-	-	-	3.61	-	-
10	Others						
-	Dividend paid	-	-	-	51.97	-	-
-	Lease rental income	-	-	-	20.59	-	-
-	Reimbursement from parties	-	-	-	39.91	-	-
-	Investments made	-	-	-	33.97	-	-
-	Subvention/Incentive	-	-	-	16.64	-	-
-	Other Transactions	-	-	-	259.02	27.44	-
	Total	**-**	**-**	**-**	**355.82**	**1,909.03**	**2,242.29**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 56

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 4 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 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

(B) Liquidity Coverage Ratio (LCR) for the year ended 31st March 2023

₹ in crores

	Particulars	Quarter ended 31st March 2023		Quarter ended 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 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%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Computation of Net cash outflows

₹ in crores

	Net Cash outflows over the 30 days period	Quarter ended 31st March 2023		Quarter ended 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 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 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 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 2023

Note : 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 4 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 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

(B) Liquidity Coverage Ratio (LCR) for the year ended 31st March 2022

₹ in crores

	Particulars	Quarter ended 31st March 2022		Quarter ended 31 December 2021		Quarter ended 30 September 2021		Quarter ended 30 June 2021	
		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)	5,839.72	5,242.66	4,178.88	3,747.90	4,787.14	4,295.33	4,396.15	3,943.44
Cash Outflows									
2	**Deposits (for deposit taking companies)**	415.83	415.83	349.67	349.67	345.16	345.16	267.31	267.31
3	**Unsecured wholesale funding**	235.48	235.48	331.23	331.23	30.13	30.13	393.37	393.37
4	**Secured wholesale funding**	1,849.38	1,849.38	875.49	667.83	698.33	698.33	1,383.34	996.74
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**	1,648.28	1,648.28	1,364.08	1,364.08	1,193.70	1,193.70	1,244.28	1,244.28
7	**Other contingent funding obligations**	44.23	44.23	42.50	42.50	28.03	28.03	48.16	48.16
8	**TOTAL CASH OUTFLOWS**	**4,193.20**	**4,193.20**	**2,962.97**	**2,755.31**	**2,295.35**	**2,295.35**	**3,336.46**	**2,949.86**
Cash Inflows									
9	**Secured lending**	-	-	-	-	-	-	-	-
10	**Inflows from fully performing exposures**	4,086.58	4,086.58	4,108.14	4,108.14	3,836.70	3,836.70	3,726.89	3,726.89
11	**Other cash inflows**	2,185.72	2,185.72	2,931.03	2,931.03	2,063.57	2,063.57	2,527.95	1,640.61
12	**TOTAL CASH INFLOWS**	**6,272.30**	**6,272.30**	**7,039.17**	**7,039.17**	**5,900.27**	**5,900.27**	**6,254.84**	**5,367.50**
	TOTAL ADJUSTED VALUES								
13	**TOTAL HQLA**	**5,839.72**	**5,242.66**	**4,178.88**	**3,747.90**	**4,787.14**	**4,295.33**	**4,396.15**	**3,943.44**
14	**TOTAL NET CASH OUTFLOWS**	**(2,079.10)**	**(2,079.10)**	**(4,076.20)**	**(4,283.86)**	**(3,604.92)**	**(3,604.92)**	**(2,918.38)**	**(2,417.64)**
	25% of Total Cash Out Flow	1,048.30	1,048.30	740.74	688.83	573.84	573.84	834.11	737.47
15	**LIQUIDITY COVERAGE RATIO (%)**	557%	500%	564%	544%	834%	749%	527%	535%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Computation of Net cash outflows

₹ in crores

	Net Cash outflows over the 30 days period	Quarter ended 31st March 2022		Quarter ended 31 December 2021		Quarter ended 30 September 2021		Quarter ended 30 June 2021	
		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	4,822.18	4,822.18	3,407.41	3,168.60	2,639.65	2,639.65	3,836.93	3,392.34
B	Stressed Cash Inflows @ 75% of Inflows	4,704.22	4,704.22	5,279.38	5,279.38	4,425.20	4,425.20	4,691.13	4,025.63
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	117.96	117.96	(1,871.97)	(2,110.78)	(1,785.55)	(1,785.55)	(854.20)	(633.29)
D	25% of Stressed Cash Outflows	1,205.55	1,205.55	851.85	792.15	659.91	659.91	959.23	848.08
E	Greater Value of C or D	1,205.55	1,205.55	851.85	792.15	659.91	659.91	959.23	848.08
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	484%	435%	491%	473%	725%	651%	458%	465%

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 2022		Quarter ended 31 December 2021		Quarter ended 30 September 2021		Quarter ended 30 June 2021	
		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	5,577.87	5,020.08	3,917.02	3,525.32	4,525.28	4,072.75	4,134.29	3,720.86
ii	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	– Corporate Bonds	261.86	222.58	261.86	222.58	261.86	222.58	261.86	222.58
iii	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	– Commercial Papers	-	-	-	-	-	-	-	-
	TOTAL	**5,839.73**	**5,242.66**	**4,178.88**	**3,747.90**	**4,787.14**	**4,295.33**	**4,396.15**	**3,943.44**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Qualitative information:

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days HQLAs comprise of Cash*, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

* Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)

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 monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Risks relating to foreign currency and interest rate is mitigated by entering in corresponding hedge transactions. Any potential collateral calls from the same forms a miniscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored by ALMCO and reviewed by ALCO.

Note : 57

Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year, to relieve COVID-19 pandemic related stress, the Company has 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 on Resolution Framework 2.0 dated 5 May 2021.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/ 2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR. REC.11 /21.04.048/ 2021-22 dated 5 May 2021

Format - B: For the year ended 31st March 2023

₹ in crores

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 OTR 2.0, above includes restructuring implemented till 30 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 5 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

Relevant disclosure for the previous year ended 31st March 2022

During the year ended 31st March 2022, to relieve COVID-19 pandemic related stress, the Company has 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 on Resolution Framework 2.0 dated 5 May 2021.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

i) 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 5 May 2021 (Resolution of Covid-19 related stress of Individuals and Small Businesses).

Format - B: For the year ended 31st March 2022

₹ in crores

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	1,439.63	45.43	6.60	90.03	1,297.57
Corporate persons^	41.64	-	-	2.44	39.20
Of *which, MSMEs*	-	-	-	-	-
Others					
- Vehicle loans for commercial purpose	2,366.04	152.79	48.95	162.73	2,001.57
TOTAL	**3,847.31**	**198.22**	**55.55**	**255.20**	**3,338.34**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till 30 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 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)

No. of accounts restructured*	Amount (₹ in Crores)**
2062	232.47

* accounts restructured are retail loans used for commercial purpose.

** represents the closing balance of loan accounts as on 31st March 2022

Note : 58

On 12 November 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, the RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 providing time till 30 September 2022 for implementation of provisions of above mentioned circular. Accordingly, the Company has implemented the updated norms under IRACP w.e.f. 1 October 2022.

The RBI has also clarified that this circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs. Accordingly, the financial results for the year ended 31st March 2023 and previous year ended 31st March 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, as the Company continues to follow the extant model provisioning norms, as per the Board approved Expected Credit Loss (ECL) policy.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 59

The Reserve Bank of India, under Scale Based Regulations (SBR), has categorised the Company in Upper Layer (NBFC-UL) vide its press release dated 30 September 2022. The Company has put in place a Board approved policy for adoption of enhanced regulatory framework and implementation plan for adhering to new set of regulations under SBR framework as per the prescribed timelines.

Note : 60

On 21 October 2022, the Company entered into a Share Purchase Agreement with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) at a consideration of ₹ 206.39 crore. This proposed transaction is subject to the approval of Insurance Regulatory and Development Authority of India (IRDAI). Subsequent to the acquisition, MIBL will become a wholly owned subsidiary of the Company.

Note : 61

During the year ended 31st March 2023, in relation to serious economic crisis evolved over a period of time resulting in currency devaluation and worsening business situation in Sri Lanka, the Company had reviewed future cash flow estimates of its Sri Lankan subsidiary, Mahindra Ideal Finance Limited (MIFL). Based on these projections, the Company had obtained a valuation report from an independent valuer for valuation of its equity stake in MIFL. As per the valuation report, which is prepared using discounted cash flow method, and based on the management assessment, the recoverable amount of the investment in MIFL is lower than the carrying amount of investment and accordingly an impairment loss provision of ₹ 54.51 crore was recognised as an exceptional item in the Statement of profit and loss for the year ended 31st March 2023.

Note : 62

Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 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 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	590.46	33.97
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)

Notes forming part of the Standalone Financial Statements

for the 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)
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	Stage 1	-	1.41	(1.41)	-	-	1.41
in the scope of Ind AS 109 but not covered under current Income	Stage 2	-	-	-	-	-	-
Recognition, Asset Classification and Provisioning (IRACP) norms	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**

Year ended 31st March 2022

₹ 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	50,727.01	442.37	50,284.64	50,727.01	202.91	239.46
	Stage 2	9,257.46	1,174.33	8,083.13	9,257.46	385.10	789.23
Subtotal for standard		**59,984.47**	**1,616.70**	**58,367.77**	**59,984.47**	**588.01**	**1,028.69**
Non-Performing Assets (NPA)							
Substandard	Stage 3	2,221.13	943.67	1,277.45	2,221.13	240.33	703.35
Doubtful - up to 1 year	Stage 3	1,870.78	1,062.28	808.50	1,870.78	1,158.52	(96.24)
1 to 3 years	Stage 3	801.54	801.54	-	801.54	644.77	156.77
More than 3 years	Stage 3	4.37	4.37	-	4.37	4.34	0.03
Subtotal for doubtful		**2,676.69**	**1,868.19**	**808.50**	**2,676.69**	**1,807.63**	**60.56**
Loss	Stage 3	78.49	78.49	-	78.49	78.49	-
Subtotal for NPA		4,976.30	2,890.35	2,085.95	4,976.30	2,126.44	763.91
Other items such as guarantees, loan commitments, etc. which are	Stage 1	-	1.78	(1.78)	-	-	1.78
in the scope of Ind AS 109 but not covered under current Income	Stage 2	-	-	-	-	-	-
Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 3	-	-	-	-	-	-
Subtotal		**-**	**1.78**	**(1.78)**	**-**	**-**	**1.78**
Total	**Stage 1**	**50,727.01**	**444.15**	**50,282.86**	**50,727.01**	**202.91**	**241.24**
	Stage 2	**9,257.46**	**1,174.33**	**8,083.13**	**9,257.46**	**385.10**	**789.23**
	Stage 3	**4,976.30**	**2,890.35**	**2,085.95**	**4,976.30**	**2,126.44**	**763.91**
Total		**64,960.77**	**4,508.83**	**60,451.94**	**64,960.77**	**2,714.45**	**1,794.38**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

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 (Continued)

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 2023 and 31st March 2022, 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 2023 and 31st March 2022, 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 amortised cost business model portfolios Sale/transfer of portfolios out of amortised 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 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. 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 securitisation transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

These transactions are carried out after complying with RBI guidelines on securitisation of standard assets. The consideration received through such securitisation transactions is utilised for funding regular vehicle loan disbursements to customers who service their loans through fixed installments over a specified period of loan tenor. Besides using securitisation 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 securitisation 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 securitised 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 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.

Accordingly, these financial assets are not de-recognised 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 recognised in the books at amortised cost.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2023

Note : 63

Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporates as per SEBI notification no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018

As per the definition given in above referred notification, the Company is a Large Corporate and hence is required to disclose the following information about its borrowings.

i) Initial Disclosure as per Annexure - 'A' filed within 30 days from the beginning of the financial year for the FY: 2023-24

Sr. no.	Particulars	Details
(1)	Name of the company:	Mahindra & Mahindra Financial Services Limited
(2)	CIN:	L65921MH1991PLC059642
(3)	Outstanding borrowing of the Company as on 31st March 2023 #	₹58,147.46 Crore
(4)	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	Long Term/Subordinated Debt:
		• CRISIL AAA/ Stable by CRISIL Ratings Ltd
		• IND AAA / Stable by India Ratings & Research Private Limited
		• CARE AAA / Stable by CARE Ratings Limited
		• BWR AAA / Stable by Brickwork Ratings India Private Limited
		Short Term:
		• CRISIL A1+ by CRISIL Ratings Ltd
		• IND A1+ by India Ratings & Research Private Limited
(5)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

ii) Annual disclosure as per Annexure - B2 for the year ended 31st March 2023

Sr. no.	Particulars	Details
(1)	Name of the company	Mahindra & Mahindra Financial Services Limited
(2)	CIN	L65921MH1991PLC059642
(3)	Report filed for FY:	2022-23
(4)	Details of the Current block (₹ in crores)	
	i) 3-year block period	FY 2022-23
		FY 2023-24
		FY 2024-25
	ii) Incremental borrowing done in FY 2022-23 (a) #	26,559.82
	iii) Mandatory borrowing to be done through debt securities in FY 2022-23 (b) = (25% of a)	6,639.95
	iv) Actual borrowing done through debt securities in FY 2022-23 (c)	7,518.19
	v) Shortfall in the borrowing through debt securities, if any, for FY 2021-22 carried forward to 2022-23 (d)	NIL
	vi) Quantum of (d), which has been met from (c) (e)	N.A
	vii) Shortfall, if any, in the mandatory borrowing through debt securities for FY 2022-23 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2022-23}	NIL
	(f)= (b)-[(c)-(e)]	
(5)	Details of penalty to be paid, if any, in respect to previous block (₹ in crores):	
	i) 3-year Block period (Specify financial years)	FY 2020-21
		FY 2021-22
		FY 2022-23
	ii) Amount of fine to be paid for the block, if applicable	N.A.
	Fine = 0.2% of {(d)-(e)}	

Notes:

(i) Figures pertain to long-term borrowing basis original maturity of more than one year (excludes External Commercial Borrowings, Inter-corporate borrowings between a parent & subsidiaries and securitisation portfolio outstanding); and

(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

Note : 64

Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

Note : 65

Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 65

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Independent Auditors' 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" / the "Holding Company") and its subsidiaries, (the Parent / Holding Company and its subsidiaries together referred to as the "Group") and its share of the net profit after tax and total comprehensive income of its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2023, 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 then ended, and a summary of significant 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 the other auditors on separate financial statements of the subsidiaries, associates 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, 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 specified under Section 143(10) of the Act ("SA"s). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) (b) and (c) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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	Auditors' Response
1.	Allowances for Expected Credit Losses ("ECL"): As at 31st March 2023, the carrying value of loan assets measured at amortised cost, aggregated ₹86,456.07 crore (net of allowance of expected credit loss ₹3,649.29 crore) constituting approximately 82% 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 Standalone 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), 7 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. Additionally, Auditors of the subsidiary and we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the respective Audit Committee of the Board of Directors. 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 overlays and adjustments to the output of the ECL Model. 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. • Evaluating the adequacy of the adjustments made to the output as per the ECL Model to ensure that the adjustment was in conformity with the policy approved by the Audit Committee of the Companies included in the Group.
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 / Holding 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 and our auditor's report thereon.

The other information is expected to be made available to us after the date of our auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do 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, associates and joint ventures 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.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility for the Consolidated Financial Statements

The Parent's / Holding 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 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 in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Boards of Directors of the companies included in the Group 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 Boards of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' 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 control 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 / Holding Company has adequate internal financial controls system in respect of 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 associates 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 associates 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 business activities within the Group 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 business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the business activities included in the Consolidated Financial Statements, which have been audited by the 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.

We communicate with those charged with governance of the Parent / Holding Company 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 control 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 period 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 ₹8,991.60 crore as at 31st March 2023, total revenues of ₹1,395.96 crore and net cash outflows amounting to ₹107.78 crore 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 these subsidiaries, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) Further the financial statements of a subsidiary included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹682.25 crore as at 31st March 2023, total revenues of ₹426.51 crore and net cash inflows amounting to ₹7.18 crore for the year ended 31st March 2023 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 Statement also includes the Group's share of loss after tax of ₹ 15.67 crore and total comprehensive loss of ₹ 15.63 crore for the year ended 31st March 2023, as considered in the Statement, in respect of 2 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 Statement, 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 Statement also includes the Group's share of profit after tax of ₹ 58.99 crore and Total comprehensive income of ₹ 58.99 crore for the year ended 31st March 2023, 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 the other auditors and the financial information 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, returns and the reports of the other auditors.

   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 relevant 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 / Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the Internal Financial Controls with reference to 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 / Holding company, 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 Financial Statements of those companies.

   g) 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 / Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) 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) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent / Holding Company and its subsidiary companies and joint ventures.

      iv) (a) The respective Managements of the Company 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 Company 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 that has 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 with respect to the previous year, declared and paid by the Parent Company during the year is in accordance with Section 123 of the Act, as applicable.

      As stated in note 23(ii) to the financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with Section 123 of the Act, as applicable.

      vi) Proviso of Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1st April 2023, to the Company and its subsidiaries, joint venture and associates, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial year ended 31st March 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries and joint ventures incorporated in India included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For Mukund M. Chitale & Co.
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 23014054BGSXGR1320)
Place: Mumbai
Date: 28th April 2023

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJQ2974)
Place: Mumbai
Date: 28th April 2023

ANNEXURE "A"

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) 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 Financial Statements of the Company as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to financial statements of Mahindra & Mahindra Financial Services Limited (hereinafter referred to as the "Parent") and its subsidiary companies and joint ventures.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent and its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements 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 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. 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 system 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 consolidated 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 system with reference to Consolidated Financial Statements of the Parent and its subsidiary companies and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statement

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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Controls 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 over financial reporting 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 reports 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 system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2023, based on the criteria for Internal Financial Controls 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 a subsidiary companies and joint ventures, which are company incorporated in India, is based solely on the corresponding report of the auditors of this company 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 and our opinion on the internal financial controls with reference to 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 corresponding report of the auditors of this company incorporated in India.

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: 23014054BGSXGR1320)
Place: Mumbai
Date: 28th April 2023

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJQ2974)
Place: Mumbai
Date: 28th April 2023

Consolidated Balance Sheet

as at 31st March 2023

₹ in crores

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	586.53	765.32
b) Bank balance other than (a) above	4	3,480.38	4,062.29
c) Derivative financial instruments	5	-	26.63
d) Receivables			
i) Trade receivables	6	98.35	64.83
ii) Other receivables		-	-
e) Loans	7	86,456.07	67,659.69
f) Investments			
i) Investments accounted using Equity Method	8 (i)	952.54	855.40
ii) Other investments	8 (ii)	9,110.59	7,798.73
g) Other financial assets	9	1,663.92	270.93
		1,02,348.38	**81,503.82**
Non-financial Assets			
a) Current tax assets (Net)		568.50	486.25
b) Deferred tax Assets (Net)	10 (i)	745.80	951.27
c) Property, plant and equipment	11	855.10	461.07
d) Intangible assets under development		2.64	2.10
e) Goodwill		-	43.40
f) Other intangible assets	12	15.50	10.81
g) Other non-financial assets	13	548.85	349.93
		2,736.39	**2,304.83**
Total Assets		**1,05,084.77**	**83,808.65**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	180.70	182.22
b) Payables	15		
I) Trade Payables			
i) total outstanding dues of micro enterprises and small enterprises		0.04	0.28
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,246.00	1,112.92
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		2.62	3.53
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		37.35	47.10
c) Debt Securities	16	27,912.79	21,597.15
d) Borrowings (Other than Debt Securities)	17	44,154.40	28,652.09
e) Deposits	18	5,458.74	8,286.26
f) Subordinated Liabilities	19	3,902.63	3,590.13
g) Other financial liabilities	20	2,965.53	2,874.83
		85,860.80	**66,346.51**
Non-Financial Liabilities			
a) Current tax liabilities (Net)		74.15	27.60
b) Provisions	21	309.34	275.96
c) Other non-financial liabilities	22	139.04	120.81
		522.53	**424.37**
EQUITY	23		
a) Equity Share Capital		246.72	246.60
b) Other Equity		18,313.37	16,649.71
Equity attributable to owners of the Company		**18,560.09**	**16,896.31**
Non-controlling interests		141.35	141.46
		18,701.44	**17,037.77**
Total Liabilities and Equity		**1,05,084.77**	**83,808.65**

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March 2023

₹ in crores

Particulars	Note	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations			
i) Interest income	24	12,029.51	10,858.08
ii) Dividend income		0.01	0.02
iii) Rental income		72.68	26.31
iv) Fees, charges and commission income	25	180.58	109.88
v) Net gain on fair value changes	26	25.37	51.34
vi) Sale of services	27	391.38	271.94
I Total Revenue from operations		**12,699.53**	**11,317.57**
II Other income	28	132.87	82.94
III Total income (I+II)		**12,832.40**	**11,400.51**
Expenses			
i) Finance costs	29	5,094.30	4,417.37
ii) Fees and commission expense		285.26	156.11
iii) Impairment on financial instruments	30	1,182.59	2,690.38
iv) Employee benefits expenses	31	2,115.33	1,613.12
v) Depreciation, amortisation and impairment	32	225.96	151.99
vi) Others expenses	33	1,112.46	887.71
IV Total expenses		**10,015.90**	**9,916.68**
V Profit before exceptional items, share of profit of associate and joint venture and tax (III-IV)		**2,816.50**	**1,483.83**
VI Exceptional items	34	(56.06)	20.57
VII Share of Profit of Associate and Joint Venture		43.32	45.02
VIII Profit before tax (V +VI + VII)		**2,803.76**	**1,549.42**
IX Tax expense :	10 (ii)		
i) Current tax		498.15	411.38
ii) Deferred tax		234.41	(12.30)
		732.56	**399.08**
X Profit for the year (VIII-IX)		**2,071.20**	**1,150.34**
Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
-Remeasurement gain / (loss) on defined benefit plans		(17.94)	(4.13)
-Net gain / (loss) on equity instruments through OCI		-	26.01
- Share of other comprehensive income / (loss) of equity accounted investees		0.04	(0.07)
(ii) Income tax impact thereon	10 (iii)	4.51	(5.50)
Subtotal (A)		**(13.39)**	**16.31**
(B) (i) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		(2.44)	(27.39)
- Net gain / (loss) on debt instruments through OCI		(90.76)	(0.16)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(6.34)	-
- Share of other comprehensive income / (loss) of equity accounted investees		53.79	16.57
(ii) Income tax impact thereon	10 (iii)	24.44	0.04
Subtotal (B)		**(21.32)**	**(10.94)**
Other Comprehensive Income (A + B)		**(34.71)**	**5.37**
XII Total Comprehensive Income for the year (X + XI)		**2,036.49**	**1,155.71**
Profit for the year attributable to:			
Owners of the Company		2,072.40	1,136.87
Non-controlling interests		(1.20)	13.47
		2,071.20	**1,150.34**
Other Comprehensive Income for the year attributable to:			
Owners of the Company		(33.63)	18.23
Non-controlling interests		(1.08)	(12.86)
		(34.71)	5.37
Total Comprehensive Income for the year attributable to:			
Owners of the Company		2,038.77	1,155.10
Non-controlling interests		(2.28)	0.61
		2,036.49	**1,155.71**
XIII Earnings per equity share (Face value ₹ 2/- per equity share)	35		
Basic (Rupees)		16.81	9.23
Diluted (Rupees)		16.79	9.21

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

A. Equity Share Capital

₹ in crores

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1st April 2021	246.40
Changes due to prior period errors	-
Restated balance as at 1st April 2021	246.40
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 37)	0.20
Balance as at 31st March 2022	**246.60**
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 37)	0.12
Balance as at 31st March 2023	**246.72**

B. Other Equity

₹ in crores

	Reserves and Surplus						Item of Other Comprehensive Income						
	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 36)	Equity instruments through OCI (Refer note 36)	Effective portion of cash flow hedges	Foreign Currency Translation Reserve	Total Other Equity	Non-controlling Interests	Total
Balance as at 1st April 2021	**2,202.00**	**50.00**	**7,137.14**	**813.17**	**50.20**	**5,285.06**	**(57.82)**	**2.00**	**-**	**48.23**	**15,529.97**	**99.15**	**15,629.12**
Changes in accounting policy / prior period errors											-		-
Restated balance as at 1st April 2021											-		-
Profit for the year						1,136.87	-	-	-	-	1,136.87	13.47	1,150.34
Other Comprehensive Income						(3.20)	(0.12)	19.47	-	2.08	18.23	(12.86)	5.37
Total Comprehensive Income	-	-	-	-	-	1,133.67	(0.12)	19.47	-	2.08	1,155.10	0.61	1,155.71
Dividend paid on equity shares (including tax thereon)						(98.57)					(98.57)	(0.62)	(99.19)
Transfers to Securities premium on exercise of employee stock options			17.85		(17.85)						-		-
Securities premium on shares allotted to ESOP Trust through Rights Issue			2.30								2.30		2.30
Employee stock options expired				0.12	(0.12)						-		-
Share based payment expense					10.81						10.81		10.81
Transfers to Statutory reserves	223.29					(223.61)					(0.32)	0.32	-
Changes in Group's Interest						(3.98)					(3.98)	42.00	38.02
Gross obligation at fair value to acquire non-controlling interest						54.40					54.40		54.40
Balance as at 31st March 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**

B. Other Equity

₹ in crores

Particulars	Reserves and Surplus						Item of Other Comprehensive Income						
	Statutory reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 36)	Equity instruments through OCI (Refer note 36)	Effective portion of cash flow hedges	Foreign Currency Translation Reserve	Total Other Equity	Non-controlling Interests	Total
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**

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Consolidated Statement of Cash Flows

as at 31st March 2023

Cash and cash equivalents

₹ in crores

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	2,816.50	1,483.83
	Adjustments for:		
	Depreciation, amortisation and impairment	225.96	151.99
	Impairment on financial instruments (excluding bad debts and write offs)	(979.77)	(89.75)
	Bad debts and write offs	2,213.36	2,806.54
	Interest expense	5,082.95	4,353.53
	Interest income from loans	(11,252.97)	(10,235.58)
	Interest income from other deposits with banks	(210.08)	(200.06)
	Net (Gain) / loss on fair value of derivative financial instruments	(2.68)	7.32
	Unrealised foreign exchange gain / loss	(96.85)	(90.38)
	Share based payments to employees	10.00	13.51
	Net gain on fair value changes	26.74	(11.70)
	Interest income on investments	(617.60)	(387.32)
	Dividend income	-	-
	Net gain on derecognition of property, plant and equipment	(3.30)	(1.65)
	Net (gain) / loss on sale of investments	(4.89)	35.97
	Operating profit / (loss) before working capital changes	**(2,792.62)**	**(2,163.77)**
	Adjustments for changes in working capital -		
	Loans	(21,090.47)	(4,956.23)
	Trade receivables	(22.15)	(20.31)
	Other financial assets	(147.82)	(13.75)
	Other financial liabilities	31.73	215.11
	Other non-financial assets	(113.33)	(2.74)
	Trade Payables	131.94	361.01
	Other non-financial liabilities	(1.05)	14.21
	Derivative financial instruments	35.88	0.14
	Provisions	24.31	0.22
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(23,943.58)**	**(6,566.10)**
	Interest paid	(5,201.64)	(4,826.59)
	Interest received from loans	12,283.67	11,983.97
	Cash generated from / (used in) operations	**(16,861.55)**	**591.27**
	Income taxes paid (net of refunds)	(533.76)	(573.22)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(17,395.31)**	**18.06**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(413.29)	(300.68)
	Proceeds from sale of Property, plant and equipment	14.75	6.58
	Purchase of investments measured at amortised cost	(2,165.66)	(223.76)
	Proceeds from sale of investments measured at amortised cost	2,591.30	84.18
	Increase / (decrease) in investment in Triparty Repo Dealing System (TREPS) (net)	-	2,404.00
	Purchase of investments measured at FVOCI	(915.95)	(102.62)
	Proceeds from sale of investments measured at FVOCI	345.34	39.06
	Purchase of investments measured at FVTPL	(4,458.69)	(11,759.03)
	Proceeds from sale of investments measured at FVTPL	3,248.45	13,072.66
	Purchase of investments measured at cost	-	(33.99)
	Proceeds from / (Investments in) term deposits with banks (net)	(671.02)	(633.93)
	Dividend income received	-	-
	Interest received from other deposits with banks	223.93	143.68
	Interest income received on investments measured at amortised cost, FVOCI, FVTPL and at cost	565.49	414.41
	Change in Earmarked balances with banks	(0.02)	0.02
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**(1,635.37)**	**3,110.59**

Consolidated Statement of Cash Flows

as at 31st March 2023

Cash and cash equivalents

₹ in crores

	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	17,076.95	7,785.50
	Repayment of borrowings through Debt Securities	(10,760.95)	(5,867.80)
	Proceeds from Borrowings (Other than Debt Securities)	35,257.97	40,858.62
	Repayment of Borrowings (Other than Debt Securities)	(19,830.17)	(44,631.84)
	Proceeds from borrowings through Subordinated Liabilities	380.00	132.91
	Repayment of borrowings through Subordinated Liabilities	(70.01)	(155.17)
	(Decrease) / Increase in loans repayable on demand and cash credit / overdraft facilities with banks (net)	169.97	-
	Increase / (decrease) in Public deposits (net)	(2,859.08)	(1,141.25)
	Payments for principal portion of lease liability	(68.72)	(54.66)
	Dividend paid	(443.99)	(99.19)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**18,851.96**	**(3,172.88)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(178.72)**	**(44.23)**
	Cash and Cash Equivalents at the beginning of the year	765.18	808.53
	Cash and Cash Equivalents balance on the date of acquisition of subsidiary company	0.07	1.73
	Unrealised gain / (loss) on foreign currency cash and cash equivalents	-	(0.71)
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	**586.53**	**765.32**
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	45.51	54.87
	- Cheques and drafts on hand	17.65	36.30
	- Balances with banks in current accounts	243.87	283.65
	-Term deposits with original maturity up to 3 months	279.50	390.50
	Total	**586.53**	**765.32**

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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

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 SIGNIFICANT ACCOUNTING POLICIES

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 authorised for issue on 28th April 2023.

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.

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 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 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

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

- The segmentation 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 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.

Estimation uncertainty relating to the global health pandemic from COVID-19 and current Macro-economic scenario:

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance during the prior years until the year ended 31st March 2022, though the pandemic's spread remains curtailed by the roll out of vaccines through out the world and as a result the economies around the world have returned to normalcy which had a favourable impact on business and financial performance of the Group during the current financial year ended 31st March 2023.

Economic forecasts are still subject to a varied degree of uncertainty in the current environment which directly / indirectly linked to long lasting disruptions caused by outbreak of COVID-19. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

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The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement has increased during financial year as a result of the economic effects of the COVID-19 outbreak, including significant judgements relating to:

- the selection and weightage of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic will occur, the speed and shape of recovery. The main factors include the effectiveness of pandemic containment measures, the pace of roll-out and effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together represent a very high degree of estimation uncertainty, particularly in assessing worst case scenario;

- estimating the economic effects of those scenarios on ECL, where there is no observable historical trend that can be reflected in the models that will accurately represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and

- the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays, if any) in relation to credit impairments and the impact of macro-economic risks on the credit environment, including those long lasting adverse impact arising from the COVID-19 pandemic, are continuously subjected to review throughout the year. The management focused on the key assumptions, methodologies and in-model and post-model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their use was considered necessary, where applicable, during the financial year, and might likely to continue to be required in future reporting periods.

As a result of government and bank support relief measures implemented during previous years, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied certain parameter driven adjustments to modelled outputs to reflect the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Group has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31st March 2023 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

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Going Concern

Although COVID-19 has had an adverse impact on the functioning of the financial sector companies, until the year ended 31st March 2022, the financial statements of the Group are prepared on a going concern basis for the year ended 31st March 2023.

Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Group expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future (refer note 51).

2.7 Revenue recognition :

a) Recognition of interest income on loans

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.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Additional interest and 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 recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

b) Recognition of interest income on securitised loans

The Parent company securitises 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 securitisation 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 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.

When a financial asset becomes credit-impaired, the Parent Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Parent Company reverts to calculating interest income on a gross basis.

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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) Fees, charges and commission income:

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

f) Sale of services:

Income from sale of services are recognised on rendering of such services.

Brokerage Income, Handling Charges & Broker Retainer Fees is recognised for net of Goods and Service Tax (GST) amount on rendering of services. Brokerage income is recognised 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.

g) Dividend and interest income on investments:

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
- 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.

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. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

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 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.

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.

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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 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 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 net book value and net realisable 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 recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.9 a) 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 which is amortised over the estimated useful life. 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.

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 recognises 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 capitalised as intangible asset.

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

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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 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. 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 amortised cost are subsequently measured at amortised cost using effective interest method. The amortised

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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 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 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 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 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) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

g) 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.

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h) 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 recognised. 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 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

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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.

i) Collateral repossessed -

Based on operational requirements, the Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalisation at their fair market value.

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.

j) 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 recognised 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

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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 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 unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

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 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 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 recognised to the extant 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 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 Securities issue expenses :

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium.

2.16 Impairment of assets other than financial assets :

The Group reviews the carrying amounts of its tangible (PPE, including assets given on operating lease) and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating

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unit) is reduced to its recoverable amount and the impairment loss is recognised in the Statement of profit and loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

2.17 Provisions and contingent liabilities:

Provisions are recognised when there is a present obligation 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.

2.18 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.

2.19 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 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 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 Group 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, 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.

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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 shorter of the lease term and useful life of the underlying asset.

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 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 recognised as an expense in the Statement of profit and loss. Initial direct costs are recognised immediately in Statement of profit and loss.

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.43.

2.20 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.21 Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the

Notes forming part of the Consolidated Financial Statements

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weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.22 Dividend :

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the respective companies. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.23 New standards or amendments to the existing standards and other pronouncements :

Recent 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. On 31st March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April 2023, as below:

Ind AS 1 - Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 3

Cash and cash equivalents

₹ in crores

	31st March 2023	31st March 2022
Cash on hand	45.51	54.87
Cheques and drafts on hand	17.65	36.30
Balances with banks in current accounts	234.87	283.66
Term deposits with original maturity up to 3 months	288.50	390.49
	586.53	**765.32**

Note : 4

Bank balances other than cash and cash equivalents

₹ in crores

Particulars	31st March 2023	31st March 2022
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.60	0.58
Term deposits with maturity less than 12 months -	11.04	7.37
- Free	3,119.47	3,472.58
- Under lien #	243.01	471.19
Interest accrued on Term deposits	106.26	110.57
	3,480.38	**4,062.29**

Details of Term deposits - Under lien

₹ in crores

Particulars	As at 31st March 2023			As at 31st March 2022		
	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 9)	Total	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 9)	Total
For Statutory Liquidity Ratio	100.00		100.00	135.00	100.00	235.00
For securitisation transactions	120.28	2.47	122.75	305.42	-	305.42
Legal deposits	0.21	0.60	0.81	0.21	0.60	0.81
For towards Constituent Subsidiary General Ledger (CSGL) account	20.90	10.00	30.90	30.00	-	30.00
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	1.62		1.62	0.56	1.00	1.56
Total	**243.01**	**13.07**	**256.08**	**471.19**	**101.60**	**572.79**

Note : 5

Derivative financial instruments

₹ in crores

	31st March 2023		31st March 2022	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
i) Currency derivatives :				
Options		-	645.01	26.63
Total derivative financial instruments	**-**	**-**	**645.01**	**26.63**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 6

Receivables

₹ in crores

Particulars		31st March 2023	31st March 2022
Trade receivables			
i)	Secured, considered good:		
	- Lease rental receivable on operating lease transactions	11.37	7.46
	Less : Impairment loss allowance	(9.19)	(6.24)
		2.18	**1.22**
ii)	Unsecured, considered good :		
	- Subvention and other income receivables	96.17	63.61
iii)	Credit impaired :		
	Trade receivable outstanding for less than six months		
	- Subvention and other income receivables	0.80	4.37
		0.80	**4.37**
	Less : Impairment loss allowance	**(0.80)**	**(4.37)**
		98.35	**64.83**

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 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**

There is neither an instance where due date is not specified nor unbilled due.

Trade Receivables aging schedule

As at 31st March 2022

₹ 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	50.61	10.59	2.48	0.42	0.51	64.62
- which have significant increase in credit risk	0.27	-	-	-	-	0.27
- credit impaired	1.53	4.63	0.45	0.59	3.36	10.55
ii) Disputed Trade Receivables -						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	**52.41**	**15.22**	**2.93**	**1.01**	**3.87**	**75.44**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 7

Loans

₹ in crores

Particulars		31st March 2023	31st March 2022
A)	**Loans (at amortised cost) :**		
	Retail loans	75,687.27	61,066.67
	Small and Medium Enterprise (SME) financing	3,481.07	1,196.15
	Loans under housing finance business	7,199.93	7,603.45
	Bills of exchange	975.61	944.33
	Trade Advances	2,540.42	1,807.42
	Finance lease	220.95	122.88
	Other loans and advances	0.11	0.17
	Total (Gross)	**90,105.36**	**72,741.07**
	Less : Impairment loss allowance	(3,649.29)	(5,081.38)
	Total (Net)	**86,456.07**	**67,659.69**
B)	i) Secured by tangible assets	85,147.11	68,884.06
	ii) Secured by intangible assets	-	-
	iii) Covered by bank / Government guarantees	319.16	493.49
	iv) Unsecured	4,639.09	3,363.52
	Total (Gross)	**90,105.36**	**72,741.07**
	Less : Impairment loss allowance	(3,649.29)	(5,081.38)
	Total (Net)	**86,456.07**	**67,659.69**
C)	**i) Loans in India**		
	a) Public Sector	-	-
	b) Others	89,920.85	72,548.80
	Total (Gross)	**89,920.85**	**72,548.80**
	Less : Impairment loss allowance	(3,642.52)	(5,075.15)
	Total (Net) - C (i)	**86,278.34**	**67,473.65**
	ii) Loans outside India	184.51	192.27
	Less : Impairment loss allowance	(6.77)	(6.23)
	Total (Net) - C (ii)	**177.73**	**186.04**
	Total (Net) - C (i+ii)	**86,456.07**	**67,659.69**

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

as at 31st March 2023

Note : 8

Investments

i) Investments accounted using Equity Method

₹ in crores

Particulars	31st Mar 2023 At cost	31st Mar 2022 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)	725.20	612.43
Equity instruments of joint venture -		
Mahindra Manulife Investment Management Private Ltd.	226.37	242.07
Mahindra Manulife Trustee Private Ltd.	0.97	0.90
Total - Gross (A)	952.54	855.40
i) Investments outside India	725.20	612.43
ii) Investments in India	227.34	242.97
Total - Gross	**952.54**	**855.40**
Less : Allowance for Impairment loss (B)	-	-
Total - Net C (A - B)	**952.54**	**855.40**

ii) Other investments

₹ in crores

Particulars	31st March 2023 Amortised cost	31st March 2023 At Fair Value Through OCI	31st March 2023 At Fair Value Through profit or loss	31st March 2023 At Fair Value Sub-total	31st March 2023 Others (at cost)	31st March 2023 Total	31st March 2022 Amortised cost	31st March 2022 At Fair Value Through OCI	31st March 2022 At Fair Value Through profit or loss	31st March 2022 At Fair Value Sub-total	31st March 2022 Others (at cost)	31st March 2022 Total
Units of mutual funds		-	220.87	220.87	-	220.87	-	-	1,387.01	1,387.01	-	1,387.01
Government securities	1,274.51	4,886.53	-	4,886.53		6,161.04	1,312.06	4,485.96		4,485.96		5,798.02
Debt securities -												
i) Investment in Bonds	25.97	-	-	-	-	25.97	26.10	-	-	-	-	26.10
ii) Investments in Pass Through Certificates under securitisation transactions	123.42	-	-	-	-	123.42	177.52	-	-	-	-	177.52
iii) Commercial Papers	-		94.12	94.12	-	94.12	-	-	-	-	-	-
iv) Certificate of deposits with banks	-	-	1,973.02	1,973.02	-	1,973.02	-		-	-	-	-
v) Investment in Bonds of Food Corporation of India and NCDs of NABARD	-	351.43	-	351.43	-	351.43		260.45	-	260.45	-	260.45
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 of other entities -												
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

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ii) Other investments

₹ in crores

Particulars	31st March 2023 Amortised cost	31st March 2023 At Fair Value Through OCI	31st March 2023 At Fair Value Through profit or loss	31st March 2023 At Fair Value Sub-total	31st March 2023 Others (at cost)	31st March 2023 Total	31st March 2022 Amortised cost	31st March 2022 At Fair Value Through OCI	31st March 2022 At Fair Value Through profit or loss	31st March 2022 At Fair Value Sub-total	31st March 2022 Others (at cost)	31st March 2022 Total
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)	-		0.06	0.06		0.06			0.24	0.24		0.24
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	22.33	85.99		85.99		108.32	22.42	77.64	-	77.64	-	100.06
iii) Interest accrued on Bonds	0.06	8.86		8.86		8.92	0.06	6.79	-	6.79	-	6.85
iv) Interest accrued on Pass Through Certificates under securitisation transactions	0.39			-		0.39	0.08	-	-	-	-	0.08
Total - Gross (A)	**1,446.68**	**5,376.80**	**2,288.07**	**7,664.87**	**0.02**	**9,111.57**	**1,538.24**	**4,874.83**	**1,387.25**	**6,262.08**	**0.02**	**7,800.34**
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	1,446.68	5,376.80	2,288.07	7,664.87	0.02	9,111.57	1,538.24	4,874.83	1,387.25	6,262.08	0.02	7,800.34
Total - Gross	**1,446.68**	**5,376.80**	**2,288.07**	**7,664.87**	**0.02**	**9,111.57**	**1,538.24**	**4,874.83**	**1,387.25**	**6,262.08**	**0.02**	**7,800.34**
Less : Allowance for Impairment loss (B)	0.98	-	-	-	-	0.98	1.61	-	-	-	-	1.61
Total - Net C (A - B)	**1,445.70**	**5,376.80**	**2,288.07**	**7,664.87**	**0.02**	**9,110.59**	**1,536.63**	**4,874.83**	**1,387.25**	**6,262.08**	**0.02**	**7,798.73**

Notes forming part of the Consolidated Financial Statements

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Note : 9

Other financial assets

₹ in crores

Particulars	31st March 2023	31st March 2022
Security Deposits	73.04	38.16
Term deposits with banks (remaining maturity more than 12 months)		
- Free	1,385.53	48.29
- Under lien (refer note 4)	13.07	101.60
Interest accrued on Term deposits	9.81	25.01
Others#	182.47	57.87
	1,663.92	**270.93**

includes receivables related to insurance claims, lease re-imbursements and online payments

Note : 10

Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

₹ in crores

Particulars	Balance as at 1st April 2021	(Charge) / credit to profit and loss	Acquired in business combination & Translation differences	Charge / (credit) to OCI	Balance as at 31st March 2022	(Charge) / credit to profit and loss	Acquired in business combination & Translation differences	Charge / (credit) to OCI	Balance as at 31st March 2023
Tax effect of items constituting deferred tax liabilities :									
- Share based payments	(0.40)	-	-	-	(0.40)	(4.35)	-	-	(4.75)
- Application of EIR on financial assets & liabilities	(72.07)	(4.73)	-	-	(76.80)	6.59	-	-	(70.21)
- FVTPL financial asset	(13.10)	(3.14)		-	(16.24)	13.97		(0.49)	(2.76)
- Others #	(105.54)	(20.24)	(1.09)	0.21	(126.66)	(0.05)	-	-	(126.71)
	(191.11)	**(28.11)**	**(1.09)**	**0.21**	**(220.10)**	**16.16**	**-**	**(0.49)**	**(204.43)**
Tax effect of items constituting deferred tax assets :									
- Provision for employee benefits	25.52	0.61	0.16	1.04	27.33	1.59	-	4.53	33.45
- Derivatives	32.79	19.45	-	-	52.24	(0.28)	-	-	51.96
- Allowance for ECL	1,001.17	(69.42)	0.49	-	932.24	(320.21)	-	22.35	634.38
- Provision on standard assets	62.91	90.01	-	-	152.92	0.61	-	-	153.53
- Other provisions	13.60	(0.24)	-	(6.72)	6.64	67.72	(0.01)	2.56	76.91
	1,135.99	**40.41**	**0.65**	**(5.68)**	**1,171.37**	**(250.57)**	**(0.01)**	**29.44**	**950.23**
Net deferred tax assets	**944.88**	**12.30**	**(0.44)**	**(5.47)**	**951.27**	**(234.41)**	**(0.01)**	**28.95**	**745.80**

includes deferred tax on account of securitisation transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognised in Statement of profit and loss

₹ in crores

Particulars	31st March 2023	31st March 2022
Current tax:		
In respect of current year	495.68	388.23
In respect of prior years	2.47	23.15
	498.15	**411.38**
Deferred tax:		

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

(ii) Income tax recognised in Statement of profit and loss

₹ in crores

Particulars	31st March 2023	31st March 2022
In respect of current year origination and reversal of temporary differences	234.51	(3.33)
In respect of rate change (Re-measurement of opening deferred tax assets due to income tax rate change)	(0.10)	(8.97)
	234.41	**(12.30)**
Total Income tax recognised in Statement of profit and loss	**732.56**	**399.08**

(iii) Income tax recognised in Other Comprehensive Income

₹ in crores

Particulars	31st March 2023	31st March 2022
Income tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	4.51	1.04
Net gain / (loss) on equity instruments through OCI	-	(6.54)
Net gain / (loss) on debt instruments through OCI	22.84	0.04
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	1.60	-
Total Income tax recognised in Other Comprehensive Income	**28.95**	**(5.46)**

(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 2023	As at 31st March 2022
Profit before tax	2,760.44	1,504.40
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	694.75	378.63
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	(1.04)	-
Effect of expenses / provisions not deductible in determining taxable profit	32.19	12.92
Effect of tax incentives and concessions	(2.83)	(2.21)
Effect of differential tax rate	0.88	0.20
Adjustment related to tax of prior years	2.46	14.19
Tax not recognised	3.38	(2.29)
Others	2.77	(2.36)
Reported income tax expense	**732.56**	**399.08**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 11

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	Right-Of-Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT											
Balance as at 1st April 2021	0.81	1.32	2.15	127.97	104.03	106.15	104.91	74.14	0.19	340.21	861.88
Additions during the year	-	-	-	46.99	4.43	11.02	28.36	76.14	-	60.38	227.32
Additions through business combinations	-	-	-	0.24	0.95	0.64	0.82	0.18	-	2.06	4.89
Disposals / deductions during the year	-	-	-	17.10	4.17	19.95	17.51	3.32	-	52.82	114.87
Balance as at 31st March 2022	**0.81**	**1.32**	**2.15**	**158.10**	**105.24**	**97.86**	**116.58**	**147.14**	**0.19**	**349.83**	**979.22**
Balance as at 1st April 2022	0.81	1.32	2.15	158.10	105.24	97.86	116.58	147.14	0.19	349.83	979.22
Additions during the year	-	-	-	43.49	13.16	15.67	48.12	187.06	-	317.81	625.31
Foreign exchange translation differences	-	-	-	(0.01)	(0.08)	(0.04)	(0.03)	-	-	(0.23)	(0.39)
Additions through business combinations	-	-	-	-	-	-	-	-	-	-	-
Disposals / deductions during the year	-	-	-	34.42	5.54	14.57	22.84	10.38	-	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**	**632.76**	**1,481.74**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
Balance as at 1st April 2021	**-**	**0.32**	**0.60**	**109.44**	**77.54**	**87.02**	**72.14**	**13.95**	**0.02**	**121.61**	**482.64**
Additions during the year	-	0.02	0.25	17.86	6.82	10.53	17.19	25.58	0.11	60.29	138.65
Foreign exchange translation differences	-	-	-	0.03	0.14	0.08	0.02	-	-	0.39	0.66
Disposals / deductions during the year	-	-	-	17.09	4.14	19.79	15.94	0.59	-	46.25	103.80
Balance as at 31st March 2022	**-**	**0.34**	**0.85**	**110.24**	**80.36**	**77.84**	**73.41**	**38.94**	**0.13**	**136.04**	**518.15**
Balance as at 1st April 2022	-	0.34	0.85	110.24	80.36	77.84	73.41	38.94	0.13	136.04	518.15
Additions during the year	-	0.02	0.50	30.83	8.70	10.94	22.17	50.20	-	89.58	212.94
Foreign exchange translation differences	-	-	-	(0.01)	-	(0.03)	-	-	(0.06)	(0.06)	(0.16)
Disposals / deductions during the year	-	-	-	34.35	5.10	14.30	19.85	2.35	-	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**	**197.22**	**626.64**
NET CARRYING AMOUNT											
As at 31st March 2022	0.81	0.98	1.30	47.86	24.88	20.02	43.18	108.20	0.06	213.79	461.07
As at 31st March 2023	**0.81**	**0.96**	**0.80**	**60.45**	**28.82**	**24.47**	**66.11**	**237.03**	**0.12**	**435.54**	**855.10**

\# 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

as at 31st March 2023

Note : 12

Other Intangible assets

₹ in crores

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1st April 2021	105.46
Additions during the year	3.16
Additions through business combinations	0.52
Deductions during the year	0.07
Balance as at 31st March 2022	**109.07**
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**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1st April 2021	85.66
Additions during the year	12.63
Foreign exchange translation differences	0.05
Deductions during the year	0.08
Balance as at 31st March 2022	**98.26**
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**
NET CARRYING AMOUNT	
As at 31st March 2022	10.81
As at 31st March 2023	**15.50**

The Group has not revalued its Intangible Assets.

Intangible Assets Under Development Aging schedule

As at 31st March 2023:

₹ in crores

Ageing	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Intangible Assets Under Development	0.79	1.43	-	0.42	2.64
Total	**0.79**	**1.43**	**-**	**0.42**	**2.64**

As at 31st March 2022:

₹ in crores

Ageing	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Intangible Assets Under Development	0.85	0.83	-	0.42	2.10
Total	**0.85**	**0.83**	**-**	**0.42**	**2.10**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 13

Other non-financial assets

₹ in crores

Particulars	31st March 2023	31st March 2022
Capital advances	224.45	138.42
Prepaid expenses	73.92	68.00
Balances with Government Authorities	228.02	120.62
Unamortised placement and arrangement fees paid on borrowing instruments	0.01	1.01
Insurance advances	11.19	6.45
Other advances	11.26	15.43
	548.85	**349.93**

Note : 14

Derivative financial instruments

₹ in crores

Particulars	As at 31st March 2023		As at 31st March 2022	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives Unhedged:				
Forward contracts	-	-	549.99	36.03
Options	1,063.50	144.83	1,600.19	146.19
Total (A)	**1,063.50**	**144.83**	**2,150.18**	**182.22**
Currency / interest rate derivatives Hedged:				
Forward contracts	839.91	16.92	-	-
Options	827.70	18.95	-	-
Total (B)	**1,667.61**	**35.87**	**-**	**-**
Total derivative financial instruments (A+B)	**2,731.11**	**180.70**	**2,150.18**	**182.22**

Movement in Cash Flow Hedge Reserve

₹ in crores

Particulars	31st March 2023	31st March 2022
Balance at the beginning of the year	-	-
Recognised on Cash Flow Hedge Reserve	(6.34)	-
Reclassified to profit or loss	-	-
Income Tax relating to gain / loss on the OCI	1.60	-
	(4.74)	**-**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 15

Payables

₹ in crores

Particulars		31st March 2023	31st March 2022
I)	**Trade Payables**		
	i) total outstanding dues of micro enterprises and small enterprises	0.04	0.28
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,246.00	1,112.92
II)	**Other Payables**		
	i) total outstanding dues of micro enterprises and small enterprises	2.62	3.53
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	37.35	47.10
		1,286.01	**1,163.83**

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 :

Payables

₹ in crores

Particulars		31st March 2023	31st March 2022
a)	Dues remaining unpaid to any supplier at the year end		
	- Principal	2.65	3.81
	- 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	12.03	1.69
	- Interest paid in terms of Section 16 of the MSMED Act	0.21	0.02
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 2023:

₹ in crores

Ageing		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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

as at 31st March 2023

As at 31st March 2022:

₹ in crores

Ageing		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i)	MSME	3.81	-	-	-	3.81
ii)	Others	1,042.83	23.73	31.50	61.96	1,160.02
	Total	1,046.64	23.73	31.50	61.96	1,163.83
	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.

Note : 16

Debt Securities

₹ in crores

	31st March 2023	31st March 2022
At Amortised cost		
Non-convertible debentures (Secured)	20,985.63	17,928.09
Non-convertible debentures (Unsecured)	2,641.36	2,822.72
Commercial Papers (Unsecured)	3,936.00	496.56
Rupee Denominated Secured Bonds overseas (Masala Bonds)	349.80	349.78
Total	**27,912.79**	**21,597.15**
Debt securities in India	27,562.99	21,247.37
Debt securities outside India	349.80	349.78
Total	**27,912.79**	**21,597.15**

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 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
A) Issued on private placement basis (wholesale) -				
Repayable on maturity :				
Maturing within 1 year	5.25%-9.25%	4,664.70	4.80%-8.95%	4,047.90
Maturing between 1 year to 3 years	6.25%-9.00%	8,778.00	4.93%-9.25%	7,078.00
Maturing between 3 years to 5 years	7.90%-8.25%	762.25	6.25%-9.00%	1,675.00
Maturing beyond 5 years	7.45%-9.18%	5,223.10	7.75%-9.18%	3,123.10
Sub-total at face value		**19,428.05**		**15,924.00**
Repayable in Half yearly instalments :				
Maturing within 1 year				
Maturing between 1 year to 3 years	6.35%	168.75	6.35%	56.25
Maturing between 3 years to 5 years	6.35%	56.25	6.35%	168.75
Sub-total at face value		**225.00**		**225.00**
Sub-total at face value (A)		**19,653.05**		**16,149.00**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year	9.10%-9.15%	535.56	9.00%-9.05%	405.41
Maturing between 1 year to 3 years		-	9.10%-9.15%	535.56
Maturing between 3 years to 5 years	9.20%-9.30%	869.15	9.20%-9.30%	869.15
Sub-total at face value (B)		1,404.71		1,810.12
Total at face value (A+B)		**21,057.76**		**17,959.12**
Less: Unamortised discounting charges		72.13		31.03
Total amortised cost		**20,985.63**		**17,928.09**

Details of Non-convertible debentures (Unsecured) - :

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	7.55%-8.51%	850.00	6.85%-7.35%	385
Maturing between 1 year to 3 years	6.70%-8.14%	800.00	5.61%-7.55%	1,650.00
Maturing beyond 5 years	8.53%	1,000.00	8.53%	800.00
Total at face value		**2,650.00**		**2,835.00**
Less: Unamortised discounting charges		8.64		12.28
Total amortised cost		**2,641.36**		**2,822.72**

Details of Commercial Papers (Unsecured):

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	5.50%-8.26%	4,075.00	4.70%	500.00
Total at face value		**4,075.00**		**500.00**
Less: Unamortised discounting charges		139.00		3.44
Total amortised cost		**3,936.00**		**496.56**

Rupee Denominated Secured Bonds overseas (Masala Bonds)

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Rupee Denominated Secured Bonds overseas (Masala Bonds)

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing between 1 year to 3 years	7.40%	350.00	7.40%	350.00
Total at face value		**350.00**		**350.00**
Less: Unamortised discounting charges		0.20		0.22
Total amortised cost		**349.80**		**349.78**

Note : 17

Borrowings (Other than Debt Securities)

₹ in crores

Particulars	31st March 2023	31st March 2022
At Amortised cost		
a) Term loans		
i) Secured -		
- from banks	33,390.78	17,617.70
- from banks in foreign currency	**31.02**	**42.29**
- External Commercial Borrowings	2,550.71	2,177.52
- Associated liabilities in respect of securitisation transactions	6,733.26	8,111.81
- from other parties (National Housing Bank)	111.25	175.25
ii) Unsecured -		
- from banks	85.00	85.00
- from other parties	150.01	-
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	430.00	434.26
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	500.62	-
- Loans (other than ICD)	1.78	8.26
Total	**44,154.40**	**28,652.09**
Borrowings in India	41,570.89	26,424.02
Borrowings outside India	2,583.51	2,228.07
Total	**44,154.40**	**28,652.09**

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.

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Details of term loans from banks (Secured)

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1) Repayable on maturity :				
Maturing within 1 year	5.98%-9.24%	3,333.50	4.00%-7.00%	1,131.00
Maturing between 1 year to 3 years		-	5.25%-7.55%	1,300.00
Maturing between 3 years to 5 years	8.77%-9.00%	150.00	7.00%	150.00
Total for repayable on maturity		**3,483.50**		**2,581.00**
2) Repayable in instalments :				
i) Quarterly -				
Maturing within 1 year	5.15%-9.94%	4,993.31	4.50%- 8.10%	3,684.19
Maturing between 1 year to 3 years	5.15%-9.94%	7,006.52	4.50%-6.95%	3,977.63
Maturing between 3 years to 5 years	5.75%-9.94%	2,008.09	4.50%-6.30%	547.43
Maturing beyond 5 years	8.80%-9.94%	17.86	6.30%-6.86%	53.57
Sub-Total		**14,025.78**		**8,262.82**
ii) Half yearly -				
Maturing within 1 year	6.25%-10.50%	3,301.55	4.47%-10.50%	1,481.99
Maturing between 1 year to 3 years	6.25%-8.40%	5,504.12	4.47%-10.50%	3,063.58
Maturing beyond 3 years to 5 years	7.45%-8.40%	2,949.03	4.47%-4.90%	549.13
Sub-Total		**11,754.70**		**5,094.70**
iii) Yearly -				
Maturing within 1 year	7.35%-9.05%	822.50	5.40%-9.05%	552.50
Maturing between 1 year to 3 years	7.49%-8.72%	2,170.42	4.46%-9.05%	821.25
Maturing between 3 years to 5 years	8.25%-8.72%	1,133.75	4.46%-7.35%	305.42
Sub-Total		**4,126.67**		**1,679.17**
Total for repayable in instalments		29,907.14		15,036.68
Total (1+2) (As per contractual terms)		33,390.64		17,617.68
Less: Unamortised Finance Cost		(0.14)		(0.02)
Total Amortised Cost		**33,390.78**		**17,617.70**

Details of Secured term loans from banks in foreign currency (LKR)

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	21.00%-26.71%	26.11	1.30%-3.50%	36.55
Maturing between 1 year to 3 years	26.21%-26.71%	4.91	2.71%-2.83%	4.36
Maturing beyond 3 years to 5 years		-	2.58%-2.81%	1.38
Total		**31.02**		**42.29**
Less: Unamortised Finance Cost		-		-
Total Amortised Cost		**31.02**		**42.29**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Details of External Commercial Borrowings (USD & Euro)

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 year	6.91%	309.00	8.15%-8.36%	1,250.82
Maturing between 1 year to 3 years	6.61%-8.11%	2,251.17	6.61%-6.91%	721.87
Maturing beyond 3 years to 5 years	-		6.61%	211.58
		2,560.17		**2,184.27**
Less: Unamortised Finance Cost		9.46		6.75
Total		**2,550.71**		**2,177.52**

Details of associated liabilities related to Securitisation transactions

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 year	3.70%-10.77%	3,480.33	3.70%-10.77%	4,058.69
Maturing between 1 year to 3 years	3.70%-10.84%	2,923.76	3.70%-10.84%	3,696.85
Maturing between 3 years to 5 years	3.70%-4.76%	329.41	3.70%-4.76%	356.45
Maturing beyond 5 years	4.76%	-	4.76%	0.11
		6,733.49		**8,112.10**
Less: Unamortised Finance Cost		0.23		0.29
Total		**6,733.26**		**8,111.81**

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 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable in instalments:				
Quarterly -				
Maturing within 1 year	8.65%	48.00	7.40%	48.00
Maturing between 1 year to 3 years	8.65%	63.25	7.40%	127.25
Total		**111.25**		**175.25**
Less: Unamortised Finance Cost		-		-
Total Amortised Cost		**111.25**		**175.25**

Details of Unsecured term loans from banks

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	8.05%	85.00	4.98%	85.00
Total		**85.00**		**85.00**
Less: Unamortised Finance Cost		-		-
Total Amortised Cost		**85.00**		**85.00**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Details of Unsecured term loans from others

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing between 1 year to 3 years	8.10%	150.00		-
Total		**150.00**		**-**
Less: Unamortised Finance Cost		(0.01)		-
Total Amortised Cost		**150.01**		**-**

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

₹ in crores

From the Balance Sheet date Inter-corporate deposits (ICDs) (Related Parties)	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	5.40%-7.85%	407.50	5.40%-7.00%	434.26
Maturing between 1 year to 3 years	6.25%	22.50		-
Total		**430.00**		**434.26**
Less: Unamortised Finance Cost		-		-
Total Amortised Cost		**430.00**		**434.26**
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	6.40%-7.80%	500.62		-
		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 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	8.45%	169.97		-
Total		**169.97**		**-**
Less: Unamortised Finance Cost		-		-
Total Amortised Cost		**169.97**		**-**

Details of Unsecured Loans other than Inter-corporate deposits (ICDs) :

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	21.00%-27.21%	1.78	5.50%-11.97%	8.26
Total		**1.78**		**8.26**
Less: Unamortised Finance Cost		-		-
		1.78		**8.26**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 18

Deposits

₹ in crores

From the Balance Sheet date	31st March 2023	31st March 2022
At amortised cost		
Deposits (Unsecured)		
- Public deposits	5,458.74	8,286.26
Total	**5,458.74**	**8,286.26**

Note: There is no other deposit measured at FVTPL or designated at FVTPL.

Details of Deposits (Unsecured) - Public deposits :

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity :				
Maturing within 1 year	4.95%-27.50%	1,890.92	4.95%-12.84%	4,727.12
Maturing between 1 year to 3 years	5.65%-25.50%	3,145.28	5.30%-13.03%	3,146.05
Maturing beyond 3 years	5.90%-25.00%	439.77	5.90%-11.65%	433.96
Total at face value		**5,475.97**		**8,307.13**
Less: Unamortised discounting charges		17.23		20.87
Total amortised cost		**5,458.74**		**8,286.26**

Note : 19

Subordinated liabilities

₹ in crores

From the Balance Sheet date	31st March 2023	31st March 2022
At Amortised cost		
Subordinated redeemable non-convertible debentures - private placement	1,489.23	1,179.36
Subordinated redeemable non-convertible debentures - retail public issue	2,413.40	2,410.77
Total	**3,902.63**	**3,590.13**
Subordinated liabilities in India	3,902.63	3,590.13
Subordinated liabilities outside India	-	-
Total	**3,902.63**	**3,590.13**

Note: There is no Subordinated liability measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortised cost) - Unsecured subordinated redeemable non-convertible debentures

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	Interest Rate Range	Amount	Interest Rate Range	Amount
A) Issued on private placement basis -				
Repayable on maturity :				
Maturing within 1 year	9.50%-9.70%	127.80	9.80%-10.15%	70.00
Maturing between 1 year to 3 years	8.40%-9.60%	460.00	8.40%-9.70%	352.80
Maturing between 3 years to 5 years	8.40%-9.10%	207.00	8.40%-9.50%	357.00
Maturing beyond 5 years	7.35%-9.40%	697.90	7.90%-9.40%	402.90
Sub-total at face value (A)		**1,492.70**		**1,182.70**
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year	8.44%-8.80%	12.34	-	-
Maturing between 1 year to 3 years	7.75%-7.85%	59.32	7.75%-8.80%	71.66
Maturing between 3 years to 5 years	7.90%-9.00%	1,380.25	8.53%-9.00%	933.01
Maturing beyond 5 years	7.95%-9.50%	980.84	7.90%-9.50%	1,428.08
Sub-total at face value (B)		**2,432.75**		**2,432.75**
Total at face value (A+B)		**3,925.45**		**3,615.45**
Less: Unamortised discounting charges		22.82		25.32
Total amortised cost		**3,902.63**		**3,590.13**

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.

Note : 20

Other financial liabilities

₹ in crores

From the Balance Sheet date	31st March 2023	31st March 2022
Interest accrued but not due on borrowings	1,902.39	2,035.92
Unclaimed dividends#	0.60	0.58
Unclaimed matured deposits and interest accrued thereon#	4.88	11.23
Deposits / advances received against loan agreements	88.79	89.54
Insurance premium payable	16.90	18.45
Salary, Bonus and performance payable	47.49	48.15
Provision for expenses	189.54	136.50
Gross obligation at fair value to acquire non-controlling interest	206.39	265.80
Lease liabilities (refer note 43)	481.64	239.70
Others	26.91	28.96
Total	**2,965.53**	**2,874.83**

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.

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 21

Provisions

₹ in crores

From the Balance Sheet date	31st March 2023	31st March 2022
Provision for employee benefits		
- Gratuity (refer note 38)	32.45	47.50
- Leave encashment	98.76	93.81
- Bonus, incentives and performance pay	174.33	130.99
Provision for loan commitment	3.80	3.66
Total	**309.34**	**275.96**

Note : 22

Other non-financial liabilities

₹ in crores

From the Balance Sheet date	31st March 2023	31st March 2022
Deferred subvention income	22.49	12.81
Statutory dues and taxes payable	109.98	104.42
Others	6.57	3.58
Total	**139.04**	**120.81**

Note : 23

Equity Share Capital

₹ in crores

From the Balance Sheet date	31st March 2023	31st March 2022
Authorised:		
250,00,00,000 (31st March 2022: 250,00,00,000) Equity shares of ₹2/- each	500.00	140.00
50,00,000 (31st March 2022: 50,00,000) Redeemable preference shares of ₹100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
123,55,29,920 (31st March 2022: 123,55,29,920) Equity shares of ₹2/- each fully paid up	247.11	247.11
Less : 19,31,449 (31st March 2022: 25,74,163) 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	0.39	0.51
Adjusted Issued, Subscribed and paid-up Share capital	**246.72**	**246.60**

₹ in crores

From the Balance Sheet date	As at 31st March 2023		As at 31st March 2022	
	No. of shares	₹ in crore	No. of shares	₹ in crore
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	19,31,449	0.39	25,74,163	0.51
Adjusted Issued, Subscribed and paid-up Share capital	**1,23,35,98,471**	**246.72**	**1,23,29,55,757**	**246.60**
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

From the Balance Sheet date	Shares held by promoters as at 31st March 2023			Shares held by promoters as at 31st March 2022		
	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

as at 31st March 2023

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

Particulars	31st March 2023	31st March 2022
Dividend paid	444.79	98.84
Profit for the relevant year	988.75	335.15
Dividend as a percentage of profit for the relevant year	45.0%	29.5%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

₹ in crores

Particulars	31st March 2023	31st March 2022
Face value per share (Rupees)	2.00	2.00
Dividend percentage	300%	180%
Dividend per share (Rupees)	6.00	3.60
Total Dividend on Equity shares (a)	741.32	444.79
Profit after tax for the year ended 31st March 2023 (b)	1,984.32	988.75
Dividend proposed as a percentage of profit after tax (a / b)	37.4%	45.0%

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

as at 31st March 2023

Note : 24

Interest income

₹ in crores

Particulars	31st March 2023	31st March 2022
I) On financial instruments measured at Amortised cost (refer note 2.7)		
Interest on loans	11,139.30	10,191.02
Income from bill discounting	102.00	77.61
Interest income from investments	281.21	163.43
Interest on term deposits with banks	210.08	181.45
II) On financial instruments measured at fair value through OCI (refer note 2.11 b)		
Interest income from investments in debt instruments	296.92	244.57
Total	**12,029.51**	**10,858.08**

Note: There is no loan asset measured at FVTPL.

Note : 25

Fees, charges and commission income

₹ in crores

Particulars	31st March 2023	31st March 2022
Fees / charges on loan transactions	151.54	76.98
Commission / brokerage received from mutual fund distribution / other debt products	10.90	13.46
Collection fees related to transferred assets under securitisation transactions	18.14	19.44
Total	**180.58**	**109.88**

Note : 26

Net gain / (loss) on fair value changes

₹ in crores

Particulars	31st March 2023	31st March 2022
A) Net gain / (loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Investments	(1.37)	0.09
ii) On financial instruments designated at FVTPL	(8.13)	0.57
B) Others - Mutual fund units	34.87	50.68
C) **Total Net gain / (loss) on financial instruments at FVTPL**	**25.37**	**51.34**
Fair value changes :		
- Unrealised	25.37	51.34
D) **Total Net gain / (loss) on financial instruments at FVTPL**	**25.37**	**51.34**

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income / expense.

Note : 27

Sale of services

₹ in crores

Particulars	31st March 2023	31st March 2022
Income from insurance broking business services	391.38	271.94
Total	**391.38**	**271.94**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 28

Other income

₹ in crores

	31st March 2023	31st March 2022
Net gain on derecognition of property, plant and equipment	3.30	1.60
Net gain on sale of investments measured at amortised cost	0.04	28.83
Income from shared services	128.33	52.23
Others	1.20	0.28
Total	**132.87**	**82.94**

Note : 29

Finance costs

₹ in crores

	31st March 2023	31st March 2022
On financial liabilities measured at Amortised cost		
Interest on deposits	535.02	763.29
Interest on borrowings	2,354.89	1,629.86
Interest on debt securities	1,833.93	1,636.81
Interest on subordinated liabilities	332.17	324.35
Net gain / (loss) in fair value of derivative financial instruments	(10.77)	7.99
Interest expense on lease liabilities (refer note 43)	30.21	19.28
Other borrowing costs	18.85	35.79
Total	**5,094.30**	**4,417.37**

Note: There is no financial liability measured at FVTPL.

Note : 30

Impairment on financial instruments

₹ in crores

	31st March 2023	31st March 2022
On financial instruments measured at Amortised cost		
Bad debts and write offs	2,606.74	2,777.30
Loans	(1,423.04)	(85.77)
Investments	(0.64)	1.21
Loan commitment	0.14	(2.39)
Trade receivables and other contracts	(0.61)	0.03
Total	**1,182.59**	**2,690.38**

Note: There is no financial instrument measured at FVOCI.

Note : 31

Employee benefits expenses

₹ in crores

	31st March 2023	31st March 2022
Salaries and wages	1,927.75	1,453.14
Contribution to provident funds and other funds	134.40	116.25
Share based payments to employees	14.53	12.97
Staff welfare expenses	38.65	30.76
Total	**2,115.33**	**1,613.12**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note : 32

Depreciation, amortisation and impairment

₹ in crores

	31st March 2023	31st March 2022
Depreciation on Property, Plant and Equipment# (refer note 11)	123.36	78.63
Amortisation and impairment of intangible assets (refer note 12)	13.02	12.68
Depreciation on Right of Use Asset (refer note 11 and 43)	89.58	60.68
Total	**225.96**	**151.99**

During the year ended 31st March 2022, the Group has revised the estimate of useful life considered for depreciating the vehicles under operating lease from useful life as specified in Schedule II of the Companies Act, 2013, as amended, to useful life representing the lease period of respective lease agreements. The resultant change had an additional depreciation charge of ₹ 12.20 crore which was included above under the head "Depreciation on Property, Plant and Equipment" for the year ended 31st March 2022.

Note : 33

Other expenses

₹ in crores

	31st March 2023	31st March 2022
Rent	16.77	18.44
Rates and taxes, excluding taxes on income	10.64	8.03
Electricity charges	19.45	15.81
Repairs and maintenance	18.06	7.13
Communication Costs	42.01	35.70
Printing and Stationery	18.68	12.89
Advertisement and publicity	28.86	15.61
Directors' fees, allowances and expenses	5.03	4.19
Auditor's fees and expenses -		
- Audit fees	1.71	1.73
- Taxation matters	-	(0.02)
- Other services	0.60	0.63
- Reimbursement of expenses	0.06	0.07
Legal and professional charges	154.97	78.79
Insurance	70.66	53.29
Manpower outsourcing cost	219.21	245.17
Donations	0.39	-
Corporate Social Responsibility (CSR) expenses	50.64	46.10
Conveyance and travel expenses	184.22	117.39
Other expenses	270.50	226.76
Total	**1,112.46**	**887.71**

Note : 34

Exceptional items

₹ in crores

	31st March 2023	31st March 2022
Profit on sale of investments in shares (refer note 41(i))	-	20.57
Impairment loss provision on equity investment in Sri Lankan subsidiary, Mahindra Ideal Finance Limited (MIFL) (refer note 40)	(56.06)	-
Total	**(56.06)**	**20.57**

Notes forming part of the Consolidated Financial Statements
as at 31st March 2023

Note : 35

Earning Per Share (EPS)

₹ in crores

	31st March 2023	31st March 2022
Profit for the year (₹ in crore)	2,072.40	1,136.87
Weighted average number of Equity Shares used in computing basic EPS	1,23,31,47,111	1,23,22,87,519
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	12,09,941	14,58,085
Weighted average number of Equity Shares used in computing diluted EPS	1,23,43,57,052	1,23,37,45,604
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	16.81	9.23
Diluted Earnings per share (₹)	16.79	9.21

Note : 36

Accumulated Other Comprehensive Income

₹ in crores

	31st March 2023	31st March 2022
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	21.47	2.01
- Net gain / (loss) on equity instruments through OCI	-	26.01
Income tax impact thereon	-	(6.55)
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	(7.64)	(9.60)
- Exchange differences in translating the financial statements of a foreign associate	(1.40)	(14.49)
- The effective portion of gains and loss on hedging instruments in a cash flow hedge	(6.34)	-
- Share of other comprehensive income / (loss) of equity accounted investees	53.79	16.57
- Net gain / (loss) on debt instruments through OCI	(90.76)	(0.16)
Income tax impact thereon	24.44	0.04
Balance at the end of the year : Subtotal (B)	**(27.92)**	**(7.64)**
Accumulated Other Comprehensive Income (A + B)	(6.45)	13.83

Note : 37

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 57,62,513 equity shares to employees up to 31st March 2023 (31st March 2022: 51,19,799 equity shares), of which 6,42,714 equity shares (31st March 2022: 9,90,139 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹0.13 crore for the year ended 31st March 2023 (31st March 2022 : ₹ 0.20 crore).

Notes forming part of the Consolidated Financial Statements
as at 31st March 2023

a) The terms and conditions of the Employees Stock Option Scheme 2010 are as under :

₹ in crores

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	20% on expiry of 12 months from the date of grant
	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant
	20% on expiry of 48 months from the date of grant
	20% on expiry of 60 months from the date of grant

b) Options granted during the year:

During the year ended 31st March 2023, the Company has not granted any stock options (31st March 2022: nil) to the employees under the Employees' Stock Option Scheme 2010.

c) Summary of stock options:

₹ in crores

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	21,67,340	26.91	33,54,484	2.00
Options granted during the year	-	-	-	-
Adjustment pertaining to Rights Issue	-	-	-	-
Options forfeited / lapsed during the year	47,783	26.46	1,89,050	26.00
Options expired during the year	41,860	31.62	7,955	28.37
Options exercised during the year	6,42,714	26.63	9,90,139	25.20
Options outstanding at the end of the year	14,34,983	26.91	21,67,340	26.91
Options vested but not exercised at the end of the year	6,96,553	27.87	6,11,688	29.21

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).

d) Information in respect of options outstanding :

₹ in crores

Exercise price	As at 31st March 2023		As at 31st March 2022	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
i) At ₹2.00 per option	6,90,412	35months	10,42,783	43 months
ii) At ₹50.00 per option	7,44,571	34months	11,24,557	42 months
	14,34,983		**21,67,340**	

₹ in crores

Year ended 31st March 2023		Year ended 31st March 2022	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
1st April 2022 to 31st March 2023	215.21	1st April 2021 to 31st March 2022	158.78

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

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, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, ₹4.55 crore (31st March 2022: ₹9.20 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 ₹1.05 crore (31st March 2022: ₹ 2.70 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹0.22 crore (31st March 2022: ₹0.30 crore) from its subsidiaries for options granted to their employees.

Note : 38

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.

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

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.

Details of defined benefit plans as per actuarial valuation are as follows:

₹ in crores

	Particulars	Funded Plan Gratuity Year ended 31st March,	
		2023	2022
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	16.14	13.89
	Net Interest cost	3.11	2.31
	Past service cost	-	-
	Payment on account of employee transferred	0.22	-
	Actuarial (gain) / loss	-	-
	Adjustment due to change in opening balance of Plan assets	(5.65)	(5.06)
	Total expenses included in employee benefits expense	**13.82**	**11.14**
II.	**Amount recognised in Other Comprehensive income***		
	Remeasurement (gains) / losses:		
	a) Actuarial (gains) / losses arising from changes in -		
	- demographic assumptions	0.54	(0.27)
	- financial assumptions	(17.34)	(3.32)
	- experience adjustments	0.25	1.57
	b) Return on plan assets, excluding amount included in net interest expense / (income)	-	-
	Total amount recognised in other comprehensive income	**(16.55)**	**(2.02)**
	*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	126.72	115.63
	Add / (less) on account of business combination / transfers	-	0.67
	Current service cost	16.15	13.89
	Past service cost	-	-

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Details of defined benefit plans as per actuarial valuation are as follows:

₹ in crores

Particulars	Funded Plan Gratuity Year ended 31st March, 2023	2022
Interest expense	9.33	7.98
Remeasurement (gains) / losses arising from changes in -	-	-
- demographic assumptions	0.77	0.27
- financial assumptions	(1.78)	(5.95)
- experience adjustments	13.37	4.79
Benefits paid	(14.30)	(10.55)
Closing defined benefit obligation	**150.27**	**126.73**
IV. Change in the fair value of plan assets during the year		
Opening Fair value of plan assets	79.24	77.04
Interest income	5.16	4.67
Expected return on plan assets	(4.11)	(3.69)
Contributions by employer	46.53	7.10
Adjustment due to change in opening balance of plan assets	5.65	5.06
Actual Return on plan assets in excess of the expected return	(0.43)	(0.40)
Actual Benefits paid	(14.22)	(10.55)
Closing Fair value of plan assets	**117.82**	**79.23**
V. Net defined benefit obligation		
Defined benefit obligation	150.26	126.73
Fair value of plan assets	117.81	79.23
Surplus / (Deficit)	(32.45)	(47.50)
Current portion of the above	(4.71)	(3.05)
Non current portion of the above	(27.74)	(44.45)
VI. Expected contribution for the next reporting year	**16.31**	**24.79**

Actuarial assumptions and Sensitivity

₹ in crores

Particulars	Funded Plan Gratuity Year ended 31st March, 2023	2022
I. Actuarial assumptions		
Discount Rate (p.a.)	7.50%	7.32%
Attrition rate	22.00 for age upto 30, 16.00for age 31-44, 8.00 for 44 and above	25.52 for age upto 30, 16.17 for age 31-44, 5.98 for 44 and above
Expected rate of return on plan assets (p.a.)	7.32%	6.91%
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	(7.90)	(9.37)
One percentage point decrease in discount rate	7.82	6.53
One percentage point increase in Salary growth rate	7.82	6.47
One percentage point decrease in Salary growth rate	(8.04)	(9.46)
III. Maturity profile of defined benefit obligation		
Within 1 year	37.34	29.02
Between 1 and 5 years	203.42	153.87

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

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 ₹94.90 crore (31st March 2022: ₹ 82.47 crore) has been recognised in the Statement of profit and loss under the head " Employee benefits expense".

Note: 39

Additional disclosures

i) During the financial years ended 31st March 2023 and 31st March 2022, 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 2023

₹ in crores

	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	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

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

As at 31st March 2023

₹ in crores

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
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
50 EFCEE SAROVAR PORTICO DIV LEELA TRADELINK PVT LTD	Payables	-	External
51 XTECHONE INTERNET SOLUTIONS PVT LTD	Payables	-	External

* Number of Equity Shares

iii) Discloser of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act,1956 (continued)

As at 31st March 2022

₹ in crores

Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2022 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1 CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.09	External
2 ANUSHREE CONSTROTECH PRIVATE LIMITED	Receivables	-	External
3 SHAN STRATEGIC SOLUTIONS PRIVATE LIMITED	Receivables	-	External
4 HIMHYDRO CONSTRUCTION PRIVATE LIMITED	Receivables	-	External
5 G. V. FOODS PRIVATE LIMITED	Receivables	-	External
6 SINGHAL BRICKS PRIVATE LIMITED	Receivables	-	External
7 MODESTY INDUSTRIES PRIVATE LIMITED	Receivables	0.01	External
8 RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	(0.00)	External
9 GRACIOUS BOTTLES PRIVATE LIMITED	Receivables	0.01	External

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

As at 31st March 2022

₹ in crores

Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at 31st March 2022 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
10 SARASWATIPUR TEA AND INDUSTRIES PVT.LTD.	Receivables	0.00	External
11 FAST BUSINESS CENTRE LIMITED	Receivables	0.02	External
12 KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	0.03	External
13 ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	0.01	External
14 SATKAR SECURITY PROVIDER PRIVATE LIMITED	Receivables	0.01	External
15 ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.08	External
16 GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.07	External
17 M.Y. TRANSPORT COMPANY PRIVATE LIMITED	Receivables	0.32	External
18 GOMATESHWAR INVESTMENTS PVT LTD	Shares held by struck off Company	50*	External
19 DREAMS BROKING PRIVATE LIMITED	Shares held by struck off Company	476*	External
20 UNICKON FINCAP PRIVATE LIMITED	Shares held by struck off Company	689*	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.

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.

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note: 40

During the current financial year, in relation to serious economic crisis evolved over a period of time in the recent past resulting in currency devaluation and worsening business situation in Sri Lanka, the Group reviewed future cash flow estimates of its Sri Lankan subsidiary, Mahindra Ideal Finance Limited (MIFL). Based on these projections, the Company obtained a valuation report from an independent valuer for valuation of its equity stake in MIFL. As per the valuation report, which was prepared using discounted cash flow method, and based on the management assessment, the recoverable amount of the investment in MIFL was lower than the carrying amount of underlying assets of MIFL in the consolidated books and accordingly, an impairment loss provision of ₹ 56.06 crore was recognised in the Consolidated Statement of profit and loss as an exceptional item with ₹ 43.40 crore being charged off to Goodwill and the balance of ₹12.66 crore adjusted against identified assets.

Note: 41

Transactions in the nature of change in ownership in other entities

Transactions pertaining to current year ended 31st March 2022:

Pursuant to the Share Subscription, Share Purchase and Shareholders' Agreement dated 20th August 2019 with Ideal Finance Limited, Sri Lanka ("Ideal Finance") and its existing shareholders for investment of the third and final tranche for acquisition of shares of Ideal Finance from its existing shareholders, the Company had completed the acquisition of the balance 20% of the Equity Share Capital aggregating 2,91,29,032 Equity Shares of Ideal Finance from its existing shareholders for ₹ 33.97 crore on 8th July 2021, resulting in an increase in the Company's stake in Ideal Finance from 38.20% to 58.20% with a cumulative investment of ₹77.97 Crore. Consequent to this investment, Ideal Finance has become a Subsidiary of the Company effective 8th July 2021 and the name was changed to Mahindra Ideal Finance Limited. Based on the fair valuation of Ideal Finance and in accordance with applicable Accounting Standard, a capital gain of ₹20.57 crore has been recognised as an exceptional item in the Consolidated Statement of profit and loss for the year ended 31st March 2022 along with recognition of Goodwill of ₹43.40 crore and Non-controlling interest of ₹39.88 crore in the Consolidated Balance sheet.

Note: 42

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

as at 31st March 2023

Regulatory capital

₹ in crores

	As at 31st March 2023	As at 31st March 2022
Tier - I capital	15,307.93	13,694.10
Tier - II capital	2,045.12	1,982.55
Total Capital	17,353.05	15,676.65
Aggregate of Risk Weighted Assets	77,061.91	56,482.56
Tier - I capital ratio	19.87%	24.24%
Tier - II capital ratio	2.65%	3.51%
Total Capital ratio	22.52%	27.75%

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.

Note: 43

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 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 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 2023	As at 31st March 2022
Less than 1 year	106.09	63.73
1 - 3 years	164.48	100.96
3 - 5 years	136.10	65.45
More than 5 years	170.67	44.52
Total undiscounted lease liabilities	**577.34**	**274.66**

Other disclosures:

Following table summarises 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 2023	Amount for the year ended 31st March 2022
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 32 "Depreciation, amortisation and impairment")	89.58	60.68
ii)	Interest expense on lease liabilities (presented under note - 29 "Finance costs")	30.21	19.28
iii)	Expense relating to short-term leases (included in Rent expenses under note 33 " Other expenses")	16.77	8.24
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 33 " Other expenses")	10.74	10.20
v)	Payments for principal portion of lease liability	69.72	46.62

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ in crores

	Amount for the year ended 31st March 2023	Amount for the year ended 31st March 2022
vi) Additions to right-of-use assets during the year (refer note 11)	317.81	60.38
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 - 11 "Property, plant and equipments")	435.54	213.79
viii) Lease liabilities (presented under note - 20 "Other financial liabilities")	481.64	239.70

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 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 2023	Year ended 31st March 2022
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	321.13	144.44
Depreciation for the year	48.23	23.42
Accumulated Depreciation	73.91	36.60
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Gross carrying amount	2.71	2.71
Depreciation for the year	0.24	1.56
Accumulated Depreciation	1.38	2.32

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

as at 31st March 2023

₹ in crores

Particulars	As at 31st March 2023	As at 31st March 2022
i) New vehicles to retail customers on operating lease -		
Not later than one year	87.95	43.20
Later than one year but not later than five years	169.72	89.15
	257.67	**132.35**
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Not later than one year	0.20	0.21
Later than one year but not later than five years	0.12	0.12
	0.32	**0.33**

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 2023	As at 31st March 2022
Gross Rental Receivable	378.04	162.15
Less : Unearned Income	93.38	39.39
Net Receivable before charging allowance for Impairment loss	284.66	122.76
Less : Allowance for Impairment losses	10.96	4.68
Total Net Receivables	273.70	118.08

₹ in crores

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	134.05	243.99	0.00	378.04
Less : Unearned Income	31.75	61.63	0.00	93.38
Net Receivable before charging allowance for Impairment loss	102.30	182.36	0.00	284.66

Note: 44

Frauds reported during the year

There were 185 cases (31st March 2022: 274 cases) of frauds amounting to ₹4.57 crore (31st March 2022: ₹6.22 crore) reported by the Group during the year. The Group has recovered an amount of ₹4.10 crore (31st March 2022: ₹2.92 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.

Note: 45

Contingent liabilities and commitments (to the extent not provided for)

₹ in crores

Particulars	31st March 2023	31st March 2022
i) Contingent liabilities		
Claims against the Company not acknowledged as debts	181.66	173.87
Guarantees	1,983.72	1,720.34
Other money for which the Company is contingently liable	1.22	0.03
	2,166.60	**1,894.24**
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	214.70	66.69

Notes forming part of the Consolidated Financial Statements

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Contingent liabilities and commitments (to the extent not provided for)

₹ in crores

Particulars	31st March 2023	31st March 2022
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	633.26	478.42
	1,054.35	545.11
Total	**3,220.95**	**2,439.35**

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.

Note: 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:

₹ in crores

Particulars	31st March 2023	31st March 2022
Securitisations -		
Carrying amount of transferred assets measured at amortised cost	6,752.92	8,347.94
Carrying amount of associated liabilities (Term Loan)	6,733.26	8,111.81
Fair value of assets (A)	6,533.48	8,154.47
Fair value of associated liabilities (B)	6,796.88	8,231.42
Net position at FV (A-B)	(263.40)	(76.95)

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

Note: 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.

Note: 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.

Note: 49

Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31st March 2023

₹ in crores

Particulars	31st March, 2022	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**

Year ended 31st March 2023

₹ in crores

Particulars	31st March, 2021	Business Combination	Cash flows (net)*	Exchange difference	Amortisation of loan origination costs	New leases	31st March, 2022
Debt securities	19,671.04	-	1,917.70	-	8.41	-	21,597.15
Borrowings (Other than debt securities)	32,454.28	46.17	(3,773.24)	(90.38)	15.26	-	28,652.09
Deposits	9,366.16	51.72	(1,141.24)	-	9.62	-	8,286.26
Subordinated liabilities	3,609.47	-	(22.25)	-	2.91	-	3,590.13
Lease liabilities	239.76	5.32	(54.66)	-	-	49.28	239.70
Total liabilities from financing activities	**65,340.71**	**103.21**	**(3,073.69)**	**(90.38)**	**36.20**	**49.28**	**62,365.33**

*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).

Note: 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:

Notes forming part of the Consolidated Financial Statements
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₹ in crores

Segment	Activities covered
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:

₹ in crores

Particulars	Year ended 31st March 2023			Year ended 31st March 2022		
	Financing Activities	Other reconciling items	Total	Financing Activities	Other reconciling items	Total
External Revenue	12,451.85	426.58	12,878.43	11,134.38	349.90	11,484.28
Inter Segment Revenue	-	-	46.03	-	-	83.77
Net Revenue	**12,451.85**	**426.58**	**12,832.40**	**11,134.38**	**349.90**	**11,400.51**
Segment Results (Profit / (Loss) before tax) :	2,757.72	46.04	2,803.76	1,505.17	44.25	1,549.42
Add : Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
Net Profit before tax	**2,757.72**	**46.04**	**2,803.76**	**1,505.17**	**44.25**	**1,549.42**
Segment Assets	1,03,109.20	661.27	1,03,770.47	81,602.30	694.55	82,296.85
Unallocated corporate assets	-	-	1,314.30	-	-	1,511.80
Total Assets			**1,05,084.77**			**83,808.65**
Segment Liabilities	86,161.14	148.04	86,309.18	66,618.14	125.15	66,743.29
Other unallocable liabilities	-	-	74.15	-	-	27.59
Total Liabilities			**86,383.33**			**66,770.88**

Note: 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 minimise 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 Rs 108.72 crore (31st March 2022 : Rs 47.08 crore). 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 2023			
Financial Assets	-	-	-
Financial Liabilities	1,732.32	818.39	2,550.71
As at 31st March 2022			
Financial Assets	-	-	-
Financial Liabilities	928.75	1,248.77	2,177.52

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 2023	INR / JPY	(+/-) 1.00%	(+/-) 17.38
	INR / USD	(+/-) 1.00%	(+/-) 8.22
Year ended 31st March 2022	INR / JPY	(+/-) 1.00%	(+/-) 9.29
	INR / USD	(+/-) 1.00%	(+/-) 12.49

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.

Notes forming part of the Consolidated Financial Statements

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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 2023	INR	100	240.27
Year ended 31st March 2022	INR	100	132.75

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' 2023	79,557.32	102.59	79,454.73
At 31st March' 2022	60,542.37	97.73	60,444.64

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' 2023	2,486.87	102.59	2,384.28
At 31st March' 2022	2,413.90	97.73	2,316.17

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.

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.

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	62,434.58	42,915.01
Past Due but not impaired :		
1-30 days past due	4,874.41	4,252.53
31-90 days past due	4,906.91	9,139.39
Impaired (more than 90 days)	3,692.32	4,882.62
Total Gross carrying value as at reporting date	**75,908.22**	**61,189.55**

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of Residential loan assets		
Neither Past due nor impaired	4,980.01	4,347.18
Past Due but not impaired :		
1-30 days past due	386.68	371.54
31-90 days past due	1,080.17	2,023.70
Impaired (more than 90 days)	753.07	861.03
Total Gross carrying value as at reporting date	**7,199.93**	**7,603.45**

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	4,331.40	1,912.31
Past Due but not impaired :		
1-30 days past due	55.05	102.78
31-90 days past due	20.54	80.42
Impaired (more than 90 days)	49.69	44.97
Total Gross carrying value as at reporting date	**4,456.68**	**2,140.48**

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of Trade Advances		
Less than 60 days past due	2,480.06	1,682.21
61-90 days past due	53.43	64.55
Impaired (more than 90 days)	6.93	60.66
Total Gross carrying value as at reporting date	**2,540.42**	**1,807.42**

₹ in crores

Particulars	31st March 2023	31st March 2022
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,446.68	1,538.24
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	**1,446.68**	**1,538.24**

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.

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Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented 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.

(i) RBI COVID-19 Resolution Framework

Assessment of loan modifications on credit risk:

During the previous years ended 31st March 2021 and year ended 31st March 2022, the Parent and its subsidiary in the housing finance business had implemented resolution plans in order to provide relief to borrowers adversely impacted due to onslaught of multiple waves / variants of COVID-19 Pandemic under the resolution framework 1.0 vide circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 for personal loan customers and resolution framework 2.0 vide circular No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5th May 2021. The loan modifications executed under both these schemes have not been classified as renegotiated as they are as a result of market-wide customer relief programme and not borrower-specific. The Parent and its subsidiary in the housing finance business continues to monitor the recoverability of loans granted in accordance with these circulars and is continue to carry adequate provisioning based on the repayment behaviour on these loan accounts.

(ii) Impact of COVID-19

The outbreak of COVID-19 led to nationwide lockdown from March 2020, which gradually phased out over the next few months basis the local level spread of the pandemic. The nation was impacted by the second wave of the pandemic in the first half of the fiscal year 2022 which again slowed down the economic activities to a limited extent. Despite the successful roll out of vaccines around the world, a varying degree of uncertainty remained through out the year ended 31st March 2022. This was caused by new variants of COVID -19, varying vaccine effectiveness and the need for reimposing of government - imposed restrictions. This uncertainty is reflected in the Group's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the changes in the macro economic outlook and its associated impact on the impairment calculations.

The methodologies and assumptions applied in the impairment loss allowance calculations have primarily remained unchanged from those applied while preparing the financial statements for the year ended 31st March 2022. The Parent and its subsidiary in the housing finance business has been updating the ECL model with the latest set of data on reasonable periodic intervals and continued the same for the year ended 31st March 2023, to capture the significant changes in economic and market drivers and changes in risk profile of customer credit exposures. Output of ECL model refresh is also factored in computation of provisions. The Parent and its subsidiary in the housing finance business holds a provision towards expected credit loss on financial assets as at 31st March 2023 aggregating to ₹3,652.76 crore (as at 31st March 2022: ₹ 5,086.93 crore).

(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 past due on its contractual payments.

(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.

- 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.

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b) Probability of Default (PD):

- It is an estimate of likelihood or risk of default occurring over a particular time horizon.

- The measurement of risk of defaults is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

- 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.

(vi) Measurement of ECL

ECL of the parent company is measured as follows:

- **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}

(vii) Forward Looking Information

Historical PDs has been converted into forward looking PD which incorporates the forward looking economic outlook. Considering that major chunk of borrowers in the retail portfolio is from rural area, Agriculture (real change % p.a.) is used as a macroeconomic variable. Agriculture (real change % p.a.) stands for Percentage change in real agricultural value-added, including livestock, forestry and fishing, over previous year). In case of SME and Bills Discounting portfolio, Real GDP (% change p.a.) is used as the macroeconomic variable.

The macroeconomic variables considered by the Group are robust reflections of the state of economy which result into systematic risk for the respective portfolio segments.

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. As a result the Group monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

Based on the assessment by the Group, the RBI resolution framework for loan restructuring and moratorium relaxation announced in previous years to the borrowers recognising the detrimental impact of COVID-19 has not been deemed to be automatically triggering significant increase in credit risk. The Group continued to recognise interest income during the current and previous year on such cases and in the absence of other credit risk indicators, the granting of a stress resolution framework and moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

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: -

A Stage 3 customer having other loans which are in Stage 1 or 2.

- Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans

- Retail vehicle loans, where asset has been repossessed.

- Cases where Group suspects fraud and legal proceedings are initiated.

- SME loans where the Group 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.

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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 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) *Analysis of inputs to the ECL model of Retail Loan with respect to macro economic variable*

The below table shows the values of the forward looking macro economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Group has used the data source of Economist Intelligence Unit. The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

ECL scenario for Macro Economic Variable

₹ in crores

	Year	Upside %	Base %	Downside %
Probability Assigned		0	85	15
Agriculture (% real change p.a.)	2023	6.9	4.7	1.6
	2024	7.7	5.3	2.4
	2025	7.1	4.8	1.8
	2026	7.6	5.2	2.3
	2027	6.7	4.5	1.4
Real GDP (% change p.a.)	2023	10.9	6.0	1.1
	2024	11.1	6.2	1.3
	2025	11.4	6.5	1.6
	2026	11.5	6.6	1.7
	2027	11.0	6.1	1.2

(xi) Analysis of inputs to the ECL model of Residential Loan with respect to macro economic variable

ECL scenario for Macro Economic Variable

₹ in crores

	Year	Upside %	Base %	Downside %
Probability Assigned		10%	65%	25%
Agriculture (% real change p.a.)	2022	5.9	3.4	0.9
	2023	6.9	4.4	1.9
	2024	5.9	3.4	0.9
	2025	6.9	4.4	1.9
	2026	6.6	4.1	1.6
	2027	7.5	4.9	2.4
	2028	5.6	3.0	0.5
	Subsequent Years	6.7	4.1	1.6

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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 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
Gross Balance as at 31st March 2022	**47,167.54**	**9,139.39**	**4,882.62**	**61,189.55**
Expected credit loss rate	0.91%	12.68%	57.34%	
Carrying amount as at 31st March 2022 (net of impairment provision)	46,739.32	7,980.45	2,082.76	56,802.53

Analysis of inputs to the ECL model of Residential Loan with respect to macro economic variable (Continued)

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 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 2022 (net of impairment provision)	5,314.40	985.62	545.22	6,845.24
Gross Balance as at 31st March 2023	4,718.72	2,023.70	861.03	7,603.45
Expected credit loss rate	2.01%	11.99%	27.54%	
Carrying amount as at 31st March 2022 (net of impairment provision)	4,623.90	1,781.06	623.88	7,028.84

The expected credit loss allowance provision for SME Loans including Bills of exchange 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 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
Gross Balance as at 31st March 2022	**2,015.09**	**80.42**	**44.97**	**2,140.48**
Expected credit loss rate	0.37%	13.70%	51.93%	
Carrying amount as at 31st March 2022 (net of impairment provision)	2,007.67	69.40	21.62	2,098.69

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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 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
Gross Balance as at 31st March 2022	**1,682.21**	**64.55**	**60.66**	**1,807.42**
Expected credit loss rate	0.40%	6.73%	100.00%	
Carrying amount as at 31st March 2022 (net of impairment provision)	1,675.48	60.21	-	1,735.69

The contractual amount outstanding for trade advance that has been written off by the Group during the year ended 31st March 2023 and that were still subject to enforcement activity was Rs 56.64 crore (31st March 2022: Nil).

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 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
Gross Balance as at 31st March 2022	**1,538.24**	**-**	**-**	**1,538.24**
Expected credit loss rate	0.52%			
Carrying amount as at 31st March 2022 (net of impairment provision)	1,530.21			1,530.21

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 2021	**48,010.22**	**7,947.58**	**5,681.06**	**61,638.86**
Addition due to business combination	75.43	28.54	17.44	121.41
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1,773.97	(1,361.45)	(412.52)	-
- Transfers to Stage 2	(4,844.77)	5,062.72	(217.95)	-
- Transfers to Stage 3	(1,176.14)	(1,121.51)	2,297.65	-
- Loans that have been derecognised during the period	(7,686.92)	(3,097.37)	(1,371.14)	(12,155.43)
New loans originated during the year	23,937.10	3,879.31	509.95	28,326.36
Write-offs	(4.61)	(52.89)	(1,495.37)	(1,552.87)
Impact of changes on items within the same stage	(12,916.75)	(2,145.54)	(126.50)	(15,188.79)
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**

Reconciliation of ECL balance

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2021	**410.72**	**864.91**	**3,268.98**	**4,544.61**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	386.93	(148.75)	(238.18)	-
- Transfers to Stage 2	(41.49)	168.09	(126.60)	-
- Transfers to Stage 3	(10.09)	(122.48)	132.57	-
- Loans that have been derecognised during the period	(65.35)	(335.99)	(788.36)	(1,189.70)
New loans originated during the year	216.59	491.58	291.46	999.63
Write-offs	(0.04)	(5.76)	(860.46)	(866.26)
Impact of changes on items within the same stage	(469.30)	247.33	1,124.83	902.86
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)

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Reconciliation of ECL balance

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
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**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31st March 2023 and that were still subject to enforcement activity was Rs 1395.13 crore (31st March 2022: Rs 1638.80 crore).

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 2021	**4,552.00**	**2,088.78**	**1,005.93**	**7,646.71**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(875.80)	804.34	71.46	-
- Transfers to Stage 2	610.26	(764.50)	154.24	-
- Transfers to Stage 3	23.88	9.99	(33.87)	-
- Loans that have been derecognised during the period	(373.97)	(108.62)	(208.66)	(691.25)
New loans originated during the year	1,315.48	40.33	0.25	1,356.06
Write-offs	-	-	(205.54)	(205.54)
Impact of changes on items within the same stage	(533.14)	(46.60)	77.21	(502.53)
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**

Reconciliation of ECL balance on Residential Loans

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2021	**61.06**	**178.60**	**278.94**	**518.60**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(13.65)	12.51	1.14	-
- Transfers to Stage 2	52.15	(65.35)	13.20	-
- Transfers to Stage 3	6.14	2.24	(8.38)	-
- Loans that have been derecognised during the period	(4.73)	(9.32)	(72.40)	(86.45)

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Reconciliation of ECL balance on Residential Loans

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
New loans originated during the year	14.25	3.81	0.06	18.12
Write-offs	-	-	(75.67)	(75.67)
Impact of changes on items within the same stage	(20.40)	120.16	100.24	200.00
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**

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 2023 and are under enforcement activity was ₹ 168.26 crores (31st March 2022 : ₹ 102.75 crores)

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 31st March 2021	**1,580.84**	**138.98**	**38.02**	**1,757.84**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	30.73	(30.03)	(0.70)	-
- Transfers to Stage 2	(38.10)	38.67	(0.57)	-
- Transfers to Stage 3	(13.23)	(11.68)	24.91	-
- Loans that have been derecognised during the period	(1,041.81)	(38.27)	(1.33)	(1,081.41)
New loans originated during the year	1,705.78	8.84	0.22	1,714.83
Write-offs	(0.03)	-	(13.28)	(13.31)
Impact of changes on items within the same stage	(209.09)	(26.09)	(2.30)	(237.48)
Gross carrying amount balance as at 31st 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)
Gross carrying amount balance as at 31st March 2023	**4,386.44**	**20.53**	**49.70**	**4,456.68**

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Reconciliation of ECL balance

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2021	**5.76**	**12.60**	**16.24**	**34.60**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	2.98	(2.57)	(0.41)	-
- Transfers to Stage 2	(0.20)	0.53	(0.33)	-
- Transfers to Stage 3	(0.10)	(1.12)	1.22	-
- Loans that have been derecognised during the period	(2.12)	(3.51)	(0.95)	(6.58)
New loans originated during the year	5.49	0.61	0.15	6.25
Write-offs	-	-	(5.89)	(5.89)
Impact of changes on items within the same stage	(4.38)	4.49	13.31	13.42
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)	(6.14)
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	(1.46)
ECL allowance balance as at 31st March 2023	**15.85**	**1.98**	**28.36**	**46.19**

The contractual amount outstanding on financial assets that has been written off by the Group during the year ended 31st March 2023 and that were still subject to enforcement activity was ₹ 7.46 crore (31st March 2022: ₹14.72 crore).

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 2021	**425.16**	**10.76**	**0.04**	**435.96**
Changes due to loans recognised in the opening balance that have:				
New Exposures	467.63	4.29	0.01	471.94
Exposure derecognised or matured / lapsed (excluding write-offs)	(407.21)	(10.53)	(0.05)	(417.78)
- Transfers to Stage 1	(1.01)	0.90	0.11	-
- Transfers to Stage 2	0.09	(0.10)	0.01	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(11.73)	(0.57)	(0.06)	(12.36)
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**

Reconciliation of ECL balance on loan commitments

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2021	**5.26**	**0.78**	**0.01**	**6.05**
Changes due to loans recognised in the opening balance that have:				
New Exposures	3.22	0.36	0.00	3.58
Exposure derecognised or matured / lapsed (excluding write-offs)	(1.18)	-	-	(1.18)
- Transfers to Stage 1	(0.01)	0.01	-	-
- Transfers to Stage 2	0.01	(0.01)	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(3.99)	(0.76)	(0.01)	(4.76)
Impact of changes on items within the same stage	(0.07)	0.02	0.01	(0.03)
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**

The increase in ECL of the portfolio was driven by an increase in the size of the portfolio, movements between stages as a result of increases in credit risk and due to deterioration in economic conditions.

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:

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Gross exposure reconciliation

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31st March 2021	**3,787.25**	**-**	**-**	**3,787.25**
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	(2,481.44)	-	-	(2,481.44)
New Investments originated during the year	237.29	-	-	237.29
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(4.85)	-	-	(4.85)
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)
Gross carrying amount balance as at 31st March 2023	**1,446.68**	**-**	**-**	**1,446.68**

Reconciliation of ECL balance

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31st March 2021	**0.41**	**-**	**-**	**0.41**
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	(0.41)	-	-	(0.41)
New Investments originated during the year	1.61	-	-	1.61
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
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**

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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 2023	As at 31st March 2022
Concentration by Geographical region in India:		
North	26,095.42	19,872.13
East	18,071.95	16,387.78
West	26,392.00	20,065.25
South	19,361.37	16,223.47
	89,920.74	**72,548.63**
Concentration by Geographical region outside India:		
Sri Lanka	184.51	192.27
	184.51	**192.27**
Total Gross Carrying Value	**90,105.25**	**72,740.90**

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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Upto 50%	5,565.97	5,226.36	2,698.13	2,971.56	1,088.20	606.87
51 - 70%	11,265.45	9,615.55	2,684.80	3,076.49	724.50	229.98

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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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
71 - 100%	44,018.02	32,330.64	1,816.01	1,554.07	1,014.19	51.12
Above 100%	14,211.19	13,190.63	-	-	81.41	29.46
	75,060.63	**60,363.18**	**7,198.94**	**7,602.12**	**2,908.30**	**917.43**

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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Upto 50%	54.48	186.38	323.39	298.54	14.92	13.60
51 - 70%	82.86	177.19	329.64	424.91	0.89	22.23
71 - 100%	265.64	506.24	100.04	137.58	21.71	0.26
Above 100%	3,289.33	4,012.82	-	0.00	12.17	8.88
	3,692.31	**4,882.63**	**753.07**	**861.03**	**49.69**	**44.97**

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-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)	743.10	9.97	207.83
SME Loans	49.69	1.00	37.45	109.41	0.76	(109.10)	39.52	10.17	28.36

Fair value of collateral held against Credit Impaired assets

₹ in crores

31-Mar-22	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	4,882.63	3,832.52	-	-	-	(694.56)	3,137.97	1,744.67	2,804.24
Residential Loans	861.03	-	-	1,726.54	-	(885.37)	841.18	19.85	237.14
SME Loans	44.97	1.80	40.90	76.47	1.85	(83.07)	37.94	7.03	23.34

Notes forming part of the Consolidated Financial Statements

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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.

₹ in crores

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-23				
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**
31-Mar-22				
Trade Payable :	1,163.83	-	-	-
Debt Securities :				
- Principal	5,338.31	9,669.81	2,712.90	3,923.10
- Interest	1,574.04	2,133.08	968.79	1,453.20
Borrowings (Other than Debt Securities) :				
- Principal	12,337.00	14,151.05	2,117.38	53.68
- Interest	1,014.57	1,032.21	109.15	3.50
Deposit :				
- Principal	4,727.12	3,146.05	433.96	-
- Interest	730.46	598.62	80.95	-
Subordinated liabilities :				
- Principal	70.00	424.46	1,290.01	1,830.98
- Interest	312.24	599.14	606.52	537.15
Other financial liabilities :	2,331.65	413.55	91.27	38.36
Total	**29,599.21**	**32,167.97**	**8,410.91**	**7,839.98**

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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.

₹ in crores

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
31-Mar-23				
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	**-**	**-**	**-**	**-**
31-Mar-22				
Gross settled:				
Foreign exchange forward contracts				
- Payable	37.17	-	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	2.67	-	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	48.93	102.62	-
- Receivable	27.43	-	-	-
Total Payable	**39.84**	**48.93**	**102.62**	**-**
Total Receivable	**27.43**	**-**	**-**	**-**

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51.4 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 2023	Fair Value As at 31st March 2022	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 / FVOCI	(35.87)	(38.70)	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	(144.83)	(116.90)	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	220.88	1,387.02	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	94.12	-	Level 1	Quoted market price			
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	1,973.02	-	Level 1	Quoted market price			
6) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	0.06	0.24	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	5,237.96	4,746.41	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 2023			
Opening balance	**42.38**	**-**	**42.38**
Total gains or losses recognised:			
In Profit or loss			
a) in profit or loss	-	-	-

Notes forming part of the Consolidated Financial Statements

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₹ in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
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 2022			
Opening balance	16.37	-	16.37
Total gains or losses recognised:			
In Profit or loss			
a) in profit or loss			
b) in other comprehensive income	26.01	-	26.01
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 2023	31st March 2022
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 2023 and 2022 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 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	-

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₹ in crores

Particulars	Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
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**	**-**
As at 31st March 2022					
Financial assets					
a) Cash and cash equivalent	765.32	765.32	765.32	-	-
b) Bank balances other than cash and cash equivalent	4,062.29	4,062.29	4,062.29	-	-
c) Trade Receivables	64.83	64.83	-	64.83	-
d) Loans and advances to customers	67,659.69	67,997.55	-	-	67,997.55
e) Financial investments - at amortised cost	1,536.63	1,590.27	1,364.89	225.38	-
f) Other financial assets	270.93	270.93	-	270.93	-
Total	**74,359.69**	**74,751.19**	**6,192.50**	**561.14**	**67,997.55**
Financial liabilities					
a) Trade Payables	1,163.83	1,163.83	-	1,163.83	-
b) Debt securities	21,597.15	23,150.85	23,150.85	-	-
c) Borrowings other than debt securities	28,652.09	28,706.22	-	28,706.22	-
d) Deposits	8,286.26	9,178.43	-	9,178.43	-
e) Subordinated Liabilities	3,590.13	4,042.84	4,042.84	-	-
f) Other financial liability	2,874.83	2,643.85	-	2,643.85	-
Total	**66,164.29**	**68,886.02**	**27,193.69**	**41,692.33**	**-**

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.

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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.

Note: 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 2023			31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	586.53	-	586.53	765.32	-	765.32
Bank balance	3,480.38	-	3,480.38	4,062.29	-	4,062.29
Derivative financial instruments	-	-	-	26.63	-	26.63
Trade receivables	98.35	-	98.35	64.83	-	64.83
Loans	33,881.79	52,574.28	86,456.07	29,028.11	38,631.57	67,659.69
Investments	3,136.10	6,927.03	10,063.13	2,116.45	6,537.69	8,654.14
Other financial assets	198.69	1,465.23	1,663.92	91.17	179.77	270.94
Current tax assets (Net)	-	568.50	568.50	-	486.25	486.25
Deferred tax Assets (Net)	-	745.80	745.80	-	951.27	951.27
Property, plant and equipment	-	855.10	855.10	-	461.07	461.07
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	2.64	2.64	-	2.10	2.10
Goodwill	-	-	-	-	43.40	43.40
Other Intangible assets	-	15.50	15.50	-	10.81	10.81
Other non-financial assets	318.10	230.75	548.85	93.16	256.77	349.93
Total Assets	**41,699.94**	**63,384.83**	**1,05,084.77**	**36,247.96**	**47,560.69**	**83,808.66**
Liabilities						
Financial Liabilities			-			-
Derivative financial instruments	49.36	131.34	180.70	38.70	143.53	182.22
Trade Payables			-			-
i) total outstanding dues of micro enterprises and small enterprises	0.04	-	0.04	0.28	-	0.28
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,246.00	-	1,246.00	1,112.92	-	1,112.92
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	2.62	-	2.62	3.53	-	3.53
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	37.35	-	37.35	47.10	-	47.10
Debt Securities	10,316.26	17,596.53	27,912.79	5,324.79	16,272.36	21,597.15
Borrowings (Other than Debt Securities)	17,411.40	26,743.00	44,154.40	12,332.43	16,319.66	28,652.09
Deposits	1,888.98	3,569.76	5,458.74	4,815.48	3,470.79	8,286.26
Subordinated Liabilities	140.12	3,762.51	3,902.63	69.94	3,520.19	3,590.13
Other financial liabilities	2,322.22	643.31	2,965.53	2,072.53	802.31	2,874.84
Non-Financial Liabilities						
Current tax liabilities (Net)	60.23	13.92	74.15	15.22	12.38	27.60
Provisions	3.61	305.73	309.34	153.99	121.97	275.96
Other non-financial liabilities	129.26	9.78	139.04	118.38	2.43	120.81
Total Liabilities	**33,607.45**	**52,775.88**	**86,383.33**	**26,105.29**	**40,665.61**	**66,770.89**
Net	**8,092.49**	**10,608.95**	**18,701.44**	**10,142.68**	**6,895.09**	**17,037.77**
Other undrawn commitments	1,054.35	-	1,054.35	545.11	-	545.11
Total commitments	**1,054.35**	**-**	**1,054.35**	**545.11**	**-**	**545.11**

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Note: 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** :

(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
Mahindra Water Utilities 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
Martial Soleren Pvt. Limited

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	Mahindra Heavy Engines Limited Mahindra Teqo Pvt Limited
c) **Joint Venture(s) / Associate(s):** (entities on whom control is exercised)	Mahindra Finance USA, Inc Mahindra Ideal Finance Ltd ^ (till 8th July 2021) 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 Pvt Ltd. (earlier known as Resfeber Labs Private Limited) PSL Media & Communications Ltd
e) **Key Management Personnel:** (where there are transactions)	Dr. Anish Shah Mr. Ramesh Iyer Mr. Dhananjay Mungale Mr. C. B. Bhave Ms. Rama Bijapurkar Mr. Milind Sarwate Mr. Amit Kumar Sinha Mr. Amit Raje (Ceased to be a director w.e.f 28.7.22) Dr. Rebecca Nugent Mr. Siddhartha Mohanty Mr. Diwakar Gupta
f) **Relatives of Key Management Personnel** (where there are transactions)	Ms. Janaki Iyer Mr. Dinesh Iyer

^Pursuant to the Share Subscription, Share Purchase and Shareholders' Agreement dated 20th August 2019 with Ideal Finance Limited, Sri Lanka ("Ideal Finance") and its existing shareholders for investment of the third and final tranche for acquisition of shares of Ideal Finance from its existing shareholders, the Company has completed the acquisition of the balance 20% of the Equity Share Capital aggregating 2,91,29,032 Equity Shares of Ideal Finance from its existing shareholders for ₹ 33.97 crore on 8th July 2021, resulting in an increase in the Company's stake in Ideal Finance from 38.20% to 58.20% with a cumulative investment of ₹77.97 Crore. Consequent to this investment, Ideal Finance has become a Subsidiary of the Company effective 8th July 2021 and the name has been changed to Mahindra Ideal Finance Limited.

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 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Loan income										
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-
Subvention / Incentive income										
- Mahindra & Mahindra Limited	72.97	16.34	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	2.35	0.30	-	-	-	-	-	-
Lease rental income										
- Mahindra & Mahindra Limited	59.08	20.38	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	0.30	0.20	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ 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 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
- Mahindra & Mahindra Contech Private Limited	-	-	0.04	0.01	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	0.13	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	0.29	-	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	0.21	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.19	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	0.17	-	-	-	-	-	-	-
- Mahindra Integrated Business solution	-	-	0.08	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	0.08	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	0.09	-	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	0.10	-	-	-	-	-	-	-
Interest income										
- Mahindra & Mahindra Limited	1.47	3.61	-	-	-	-	-	-	-	-
Income from sharing services										
- Mahindra & Mahindra Limited	0.18	0.57	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	0.62	0.62	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	0.01	0.01	-	-	-	-
Sale of Services										
- Tech Mahindra Limited	-	-	-	-	-	0.04	-	-	-	-
Interest expense										
- Mahindra & Mahindra Limited	0.47	4.51	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	4.10	4.10	-	-	-	-
- Swaraj Engines Ltd.	-	-	-	0.41	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	10.80	19.17	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	0.15	0.82	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	8.02	21.06	-	-	-	-	-	-
- Mahindra First Choice Wheels Ltd.	-	-	-	0.78	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	0.04	0.06	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.05	0.05	-	-
- Others	-	-	-	-	-	-	-	-	0.28	0.31
Other expenses										
- Mahindra & Mahindra Limited	56.61	42.15	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	23.13	18.39	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	2.28	3.74	-	-	-	-	-	-
- Bristlecone India Limited	-	-	0.02	0.35	-	-	-	-	-	-
- NBS International Limited	-	-	1.53	0.92	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ 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 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
- Mahindra Integrated Business Solutions Ltd.	-	-	58.10	37.34	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.03	-	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	0.05	-	-	-	-	-	-	-
- Others	-	-	0.66	0.06	-	-	-	-	-	-
Remuneration										
- Mr. Ramesh Iyer	-	-	-	-	-	-	7.09	7.46	-	-
- Mr. Amit Raje	-	-	-	-	-	-	8.37	3.51	-	-
Sitting fees and commission										
- Mr. C. B. Bhave	-	-	-	-	-	-	0.52	0.46	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	0.53	0.47	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	0.48	0.42	-	-
- Mr. Milind Sarwate	-	-	-	-	-	-	0.56	0.47	-	-
- Dr. Rebecca Nugent	-	-	-	-	-	-	0.42	0.38	-	-
- Mr. Diwakar Gupta	-	-	-	-	-	-	0.12	-	-	-
Reimbursement from parties										
- Mahindra & Mahindra Limited	16.22	35.20	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	-	0.06	-	-	-	-
- Gromax Agri Equipment Limited	-	-	4.09	4.65	-	-	-	-	-	-
Reimbursement to parties										
- Mahindra Electric Mobility Limited	-	-	-	0.02	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	2.56	2.33	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)										
- Mahindra & Mahindra Limited	134.95	116.13	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	10.19	6.04	-	-	-	-	-	-
Investments made										
- Mahindra Ideal Finance Ltd	-	-	-	33.97	-	-	-	-	-	-
Fixed deposits taken										
- Mahindra & Mahindra Limited	2.10	11.99	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	0.86	0.90	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	5.00	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.80	0.91	-	-
- Others	-	-	-	-	-	-	-	-	2.18	1.82

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ 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 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Fixed deposits matured										
- Mahindra & Mahindra Limited	13.01	2.32	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	1.55	0.90	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	15.00	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.91	0.79	-	-
- Mr. C. B. Bhave	-	-	-	-	-	-	-	0.30	-	-
- Others	-	-	-	-	-	-	-	-	1.83	1.73
Dividend paid										
- Mahindra & Mahindra Limited	231.98	51.55	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.59	0.14	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	0.01	0.00	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	0.00	-
Inter corporate deposits taken										
- Tech Mahindra Limited	-	-	-	200.00	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	4.26	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	230.00	-	-	-	-	-	-
Inter corporate deposits repaid / matured										
- Mahindra & Mahindra Limited	-	50.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	500.00	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	385.00	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	4.26	11.75	-	-	-	-	-	-
- Mahindra First Choice Wheels Ltd.	-	-	-	25.00	-	-	-	-	-	-
- Swaraj Engines Ltd.	-	-	-	10.00	-	-	-	-	-	-
Debentures issued										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
Debentures matured										
- Mahindra & Mahindra Limited	-	95.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	150.00	-	-	-	-	-	-
Issue of Share Capital (incl Securities premium)										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-

Key Management Personnel as defined in Ind AS 24

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

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 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Balances as at the end of the period										
Receivables										
- Mahindra & Mahindra Limited	22.65	6.81	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	0.92	1.41	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	0.10	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt. Ltd.	-	-	-	-	0.01	0.05	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	-	0.01	-	-	-	-
- Mahindra First Choice Services Limited	-	-	0.06	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	0.04	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	0.03	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	0.01	-	-	-	-	-	-	-
Investments										
- Mahindra Finance USA, Inc.	-	-	-	-	210.55	210.55	-	-	-	-
- Mahindra Ideal Finance Ltd	-	-	-	-	-	77.97	-	-	-	-
- Mahindra Manulife Investment Management Pvt. Ltd.	-	-	-	-	195.30	195.30	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	0.50	0.50	-	-	-	-
- 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 Manulife Investment Management Pvt. Ltd.	-	-	-	-	48.56	48.57	-	-	-	-
Debentures (including interest accrued but not due)										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-
Payables										
- Mahindra & Mahindra Limited	1.76	1.13	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	5.77	6.77	-	-	-	-	-	-
- Mahindra USA, Inc.	-	-	0.37	0.16	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	1.25	1.27	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	0.59	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ 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 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
- NBS International Limited	-	-	0.00	0.02	-	-	-	-	-	-
- Others	-	-	-	0.01	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	217.26	207.54	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	4.28	-	-	-	-	-	-
- Mahindra Holidays and Resorts India Limited	-	-	246.25	239.31	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)										
- Mahindra & Mahindra Limited	4.48	15.69	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	0.21	0.93	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	5.29	5.01	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	0.01	0.92	-	-
- Others	-	-	-	-	-	-	-	-	0.06	4.39

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31st March 2023

₹ in crores

Particulars	Relation	Balance as on 1st 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.

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

As at 31st March 2022

₹ in crores

Particulars	Relation	Balance as on 1st April 2021	Advances / investments	Repayments / sale	Balance as on 31st March 2022
(A) Loans and advances					
		-	-	-	-
(B) Investments					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Mahindra Ideal Finance Limited (Refer note 41)	Subsidiary	44.00	33.97	77.97	-
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
		459.87	33.97	77.97	415.87
Total		**459.87**	**33.97**	**77.97**	**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 2023	31st March 2022
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
	Gross Salary including perquisites	6.77	4.47
	Commission	-	1.28
	Stock Option	-	1.45
	Others - Contribution to Funds	0.39	0.33
		7.16	**7.53**
Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit)			
(Ceased to be a director w.e.f 28.7.22)	Gross Salary including perquisites	4.02	2.79
	Commission	-	-
	Stock Option	4.35	0.70
	Others - Contribution to Funds	0.08	0.09
		8.44	**3.58**

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ in crores

Name of the KMP	Nature of transactions	31st March 2023	31st March 2022
Mr. Dhananjay Mungale (Independent Director)			
	Commission	0.30	0.32
	Sitting fees	0.18	0.17
		0.48	**0.49**
Ms. Rama Bijapurkar (Independent Director)			
	Commission	0.30	0.25
	Sitting fees	0.13	0.12
		0.43	**0.37**
Mr. C.B. Bhave (Independent Director)			
	Commission	0.30	0.25
	Sitting fees	0.17	0.16
		0.47	**0.41**
Mr. Milind Sarwate (Independent Director)			
	Commission	0.30	0.25
	Sitting fees	0.21	0.17
		0.51	**0.42**
Dr. Rebecca Nugent			
(Appointed w.e.f. 5th March 2021)	Commission	0.30	0.02
	Sitting fees	0.07	0.07
		0.37	**0.09**
Mr. Diwakar Gupta			
(Appointed w.e.f. 1st January 2023)	Commission	-	0.02
	Sitting fees	0.03	0.07
		0.03	**0.09**

Note: 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 are as follows:

₹ in crores

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31st March 2023	31st March 2022
Mahindra Insurance Brokers Limited (MIBL)	India	80.00%	80.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	99.04%	99.25%
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%

Notes forming part of the Consolidated Financial Statements

as at 31st March 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 2023	31st March 2022
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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Mahindra Insurance Brokers Limited	India	20.00%	20.00%	6.86	10.42	106.64	100.81
Mahindra Rural Housing Finance Limited	India	0.96%	0.75%	0.19	0.36	14.24	10.91
Mahindra Ideal Finance Limited (Refer note 41)	Sri Lanka	41.80%	41.80%	0.84	2.75	20.47	29.74
TOTAL				**7.89**	**13.53**	**141.35**	**141.46**

The Company has written put option for acquiring ownership interest held by Non Controlling Interest in the above mentioned subsidiaries.

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 and 41)	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Financial Assets	582.70	564.49	8,421.50	8,315.53	205.02	205.17
Non Financial Assets	99.55	65.10	296.27	198.07	14.34	14.68
Financial Liabilities	101.73	74.24	7,214.82	7,024.17	146.95	146.46
Non Financial Liabilities	47.32	51.30	21.32	34.92	1.69	2.23
Equity interest attributable to the owners*	426.56	403.24	1,467.39	1,443.60	41.16	41.41
Non-controlling interest*	106.64	100.81	14.24	10.91	29.56	29.74
Total Income	426.51	348.01	1,349.80	1,377.49	43.70	38.09
Expenses (including tax expenses)	392.07	296.12	1,328.05	1,329.76	41.72	31.56
Profit / (Loss) for the year	34.44	51.89	21.75	47.73	1.98	6.53
Total Comprehensive Income for the year	34.31	52.10	19.88	46.07	2.01	6.59
Total Comprehensive Income attributable to the owners of the company	27.45	41.68	19.69	46.05	1.17	3.83
Total Comprehensive Income attributable to the Non-controlling interest	6.86	10.42	0.19	0.02	0.84	2.75

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ in crores

Particulars	Mahindra Insurance Brokers Limited		Mahindra Rural Housing Finance Limited		Mahindra Ideal Finance Limited (Refer note 40 and 41)	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Dividends paid to Non-controlling interest	1.03	0.62	-	-	-	-
Opening Cash & Cash Equivalents	10.14	11.80	423.69	218.14	3.51	1.73
Closing Cash & Cash Equivalents	17.32	10.14	314.94	423.69	4.13	3.51
Net Cash inflow / (outflow) - includes Foreign currency translation	7.18	(1.66)	(108.75)	205.55	0.62	1.79

*The Equity interest attributable to the owners and Non-controlling interest for MIFL is excluding the impairment loss provision adjusted against identified assets.

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		Mahindra Ideal Finance Ltd (till 30th June 2021) (Refer note 41)
	2023	2022	2023	2022	2023	2022	2022
Financial Assets	225.88	263.41	1.32	1.14	9,374.75	8,295.31	76.05
Non Financial Assets	23.06	12.11	0.07	0.09	31.26	24.09	4.13
Financial Liabilities	23.4	15.59	0.02	0.02	7,926.01	7,069.55	41.86
Non Financial Liabilities	9.52	13.11	0.05	0.03	-	-	1.87
Equity interest attributable to the owners	110.17	125.87	0.67	0.60	725.20	612.43	13.92
Non-controlling interest	105.85	120.94	0.65	0.58	754.80	637.43	58.97
Total Interest Income	10.94	8.96	0.00	-	497.36	407.95	9.51
Other income	33.18	26.31	0.81	0.76	22.61	18.69	0.33
Finance Costs	0.53	0.39	-	-	201.55	144.00	2.26
Depreciation and amortisation	2.58	1.93	0.00	0.00	-	-	0.28
Other expenses	71.87	71.01	0.65	0.53	159.64	109.97	4.12
Income tax expense	-	-	0.02	-	38.39	43.13	1.00
Profit / (Loss) for the year	(30.86)	(38.06)	0.14	0.23	120.39	129.54	2.18
Total Comprehensive Income for the year	(30.78)	(37.97)	0.14	0.23	120.39	129.54	2.18
Total Comprehensive Income attributable to the owners of the company	(15.70)	(19.36)	0.07	0.12	58.99	63.47	0.83
Total Comprehensive Income attributable to the Non-controlling interest	(15.08)	(18.61)	0.07	0.11	61.40	66.07	1.35
Opening Cash & Cash Equivalents	0.12	0.06	0.02	0.01	98.35	59.94	0.88
Closing Cash & Cash Equivalents	0.10	0.12	0.01	0.02	50.86	98.35	0.95
Net Cash inflow / (outflow)	(0.02)	0.06	(0.01)	0.00	(47.49)	38.41	0.07

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 :

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ in crores

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC		Mahindra Ideal Finance Ltd (till 30th June 2021) (Refer note 41)
	2023	2022	2023	2022	2023	2022	2022
Closing Net Assets	216.02	246.81	1.32	1.18	1,480.01	1,249.85	72.89
Group share in %	51.00%	51.00%	51.00%	51.00%	49.00%	49.00%	58.20%
Group share	110.17	125.87	0.67	0.60	725.20	612.43	42.42
Carrying amount	110.17	125.87	0.67	0.60	725.20	612.43	44.39

Note: 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	88.54%	16,557.80	95.88%	1,986.93	250.20%	(84.14)	93.33%	1,902.79
Subsidiaries								
Indian -								
1. Mahindra Insurance Brokers Limited	2.51%	470.14	1.00%	20.66	0.18%	(0.06)	1.01%	20.60
2. Mahindra Rural Housing Finance Limited	4.78%	894.31	1.03%	21.40	5.41%	(1.82)	0.96%	19.58
3. Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	0.20%	37.83	0.04%	0.87	0.00%	-	0.04%	0.87
4. Mahindra Rural Housing Finance Limited Employee Welfare Trust	0.02%	3.54	-0.03%	(0.71)	0.00%	-	-0.03%	(0.71)
5. Mahindra Finance CSR Foundation	0.00%	0.02	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
6. Mahindra Ideal Finance Limited	0.27%	50.25	0.06%	1.14	1.07%	(0.36)	0.04%	0.78
Foreign -	-	-	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	0.76%	141.35	-0.06%	(1.20)	3.21%	(1.08)	-0.11%	(2.28)
Associates (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
Foreign -								
Mahindra Finance USA, LLC	2.75%	514.66	2.85%	58.99	-159.95%	53.79	5.53%	112.78
Joint Ventures (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

as at 31st March 2023

₹ 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
1. Mahindra Manulife Investment Management Private Limited	0.17%	31.07	-0.76%	(15.74)	-0.12%	0.04	-0.77%	(15.70)
2. Mahindra Manulife Trustee Private Limited	0.00%	0.47	0.00%	0.07	0.00%	-	0.00%	0.07
Total	**100.00%**	**18,701.44**	**100.00%**	**2,072.40**	**100.00%**	**(33.63)**	**100.00%**	**2,038.77**

Note: 56

Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

Note: 57

Previous year figures have been regrouped / reclassified wherever necessary 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: 28th April 2023

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

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, 2022 to 31st March, 2023	1st April, 2022 to 31st March, 2023	1st April, 2022 to 31st March, 2023	1st April, 2022 to 31st March, 2023	1st April, 2022 to 31st March, 2023	1st April, 2022 to 31st March, 2023
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	0.2495
7	Share Capital	10.31	122.14	0.00	382.94	0.98	47.61
8	Reserves and Surplus	522.90	1,359.49	0.02	-166.92	0.34	23.11
9	Total Assets	682.25	8,717.77	0.03	248.94	1.40	219.36
10	Total Liabilities (excluding Equity Share Capital and Reserves)	149.05	7,236.13	0.01	32.92	0.08	148.64
11	Investments (excluding subsidiaries)	149.50	340.95	-	97.21	1.27	10.57
12	Turnover	426.51	1,349.80	0.20	44.12	0.81	43.70
13	Profit / (Loss) before tax	46.05	26.29	-0.01	-30.86	0.16	3.48
14	Provision for tax	11.61	4.54	-	-	0.02	1.50
15	Profit after tax	34.44	21.75	-0.01	-30.86	0.14	1.98
16	Other Comprehensive Income	-0.13	-1.87	-	0.08	-	0.03
17	Total Comprehensive Income	34.31	19.88	-0.01	-30.78	0.14	2.01
18	Proposed dividend & tax thereon	3.61	-	-	-	-	
19	Proportion of ownership interest	80.00%	99.04%	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

Dr. Anish Shah
Chairman
[DIN: 02719429]
Place: Mumbai
Date : 28th April 2023

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

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	31st March 2023
2. Date on which the Associate/Joint Venture was associated or acquired	10th January 2011
3. Shares of Associate/Joint Ventures held by the company on the year end	
Number of shares held	3,55,83,920
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)	725.20
7. Profit/(Loss) for the year	
i. Considered in Consolidation (Rs in crores)	58.99
ii. Not Considered in Consolidation (Rs in crores)	61.40

For Mahindra & Mahindra Financial Services Limited

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No: F5220

Place: Mumbai
Date: 28th April 2023

Notes

Corporate Information

Board of Directors
Dr. Anish Shah
Chairman & Non-Executive Director

Mr. Ramesh Iyer
Vice-Chairman & MD

Mr. Raul Rebello
Executive Director w.e.f 1st May 2023 and MD & CEO - Designate

Mr. Amit Kumar Sinha
Non-Executive Director

Mr. Ashwani Ghai
Non-Executive Director
w.e.f 23rd June 2023

Independent Directors
Mr. C. B. Bhave

Mr. Dhananjay Mungale

Mr. Milind Sarwate

Ms. Rama Bijapurkar

Dr. Rebecca Nugent

Mr. Diwakar Gupta
w.e.f 1st January, 2023

Chief Financial Officer
Mr. Vivek Karve

Company Secretary
Ms. Brijbala Batwal

Registered Office
Gateway Building, Apollo Bunder,
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CIN: L65921MH1991PLC059642
Website: www.mahindrafinance.com
E-mail: investorhelpline_mmfsl@mahindra.com

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P. K. Kurne Chowk,
Worli, Mumbai - 400 018.
Tel.: +91 22 6652 6000
Fax: +91 22 2497 2741

Committees Constituted by the Board, led by Independent Directors

Audit Committee
Mr. C. B. Bhave , Chairman
Mr. Dhananjay Mungale
Mr. Milind Sarwate
Ms. Rama Bijapurkar
Mr. Amit Kumar Sinha
Mr. Diwakar Gupta

Nomination and Remuneration Committee
Mr. Dhananjay Mungale, Chairman
Dr. Anish Shah
Mr. C. B. Bhave
Mr. Milind Sarwate
Mr. Diwakar Gupta

Stakeholders Relationship Committee
Ms. Rama Bijapurkar, Chairperson
Mr. Ramesh Iyer
Mr. C. B. Bhave

Risk Management Committee
Mr. C. B. Bhave, Chairman
Mr. Ramesh Iyer
Mr. Dhananjay Mungale
Ms. Rama Bijapurkar
Mr. Milind Sarwate
Mr. Diwakar Gupta

Corporate Social Responsibility Committee
Mr. Dhananjay Mungale, Chairman
Mr. Ramesh Iyer
Ms. Rama Bijapurkar

Committee for Strategic Investments
Mr. Dhananjay Mungale, Chairman
Dr. Anish Shah
Mr. Ramesh Iyer
Mr. Milind Sarwate

IT Strategy Committee
Mr. Milind Sarwate, Chairman
Mr. Ramesh Iyer
Mr. C. B. Bhave
Dr. Rebecca Nugent
Mr. Amit Kumar Sinha

Digital & AI Committee
Dr. Rebecca Nugent, Chairperson
Mr. Ramesh Iyer
Mr. Milind Sarwate
Mr. Amit Kumar Sinha
Mr. Raul Rebello

Committee Constituted by Board, Led By VC & MD

Asset Liability Committee
Mr. Ramesh Iyer, Chairman
Mr. Dhananjay Mungale
Mr. Milind Sarwate
Mr. Diwakar Gupta
Mr. Raul Rebello

Joint Statutory Auditors
Deloitte Haskins & Sells
And
Mukund M. Chitale & Co.

Secretarial Auditors
Makarand M. Joshi & Co.

Solicitors
Khaitan & Co.

Debenture Trustee
Axis Trustee Services Limited
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Toll Free No.: -1800-309-4001;
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E-mail: einward.ris@kfintech.com

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Bank of Baroda
BNP Paribas S.A.
Central Bank of India
Citibank N.A.
Development Bank of Singapore Ltd.
Deutsche Bank AG
Dhanlaxmi Bank Ltd.
Federal Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Indian Bank
Karnataka Bank
Kotak Mahindra Bank Limited
PT Bank Maybank Indonesia Tbk
Mizuho Bank Limited
MUFG Bank Limited
Punjab National Bank
RBL Bank Limited
Société Générale
Standard Chartered Bank
State Bank of India
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
Union Bank of India

List of Institutions
National Bank for Agriculture and Rural Development (NABARD)
Small Industries Development Bank of India (SIDBI)
Micro Units Development & Refinance Agency Limited (MUDRA Ltd)

mahindra FINANCE

Stock Exchange Codes

NSE:	M&MFIN
BSE:	532720
Bloomberg:	MMFS:IN

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General Disclosures: GRI 102-3

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