

Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001. Tel. No. +91 22 68975500
Corporate Office: Mahindra Towers, 4th Floor, Dr. G.M. Bhosale Marg, Worli, Mumbai 400 018. Tel. No. +91 22 66526000
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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

Rs. in Crore

| | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|------|--|------------------|-------------------|------------------|-------------------|------------------|------------------|
| | | 31 December 2023 | 30 September 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 March 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| | Revenue from operations | | | | | | |
| I | i) Interest income | 3,373.26 | 3,153.50 | 2,794.69 | 9,561.65 | 7,748.20 | 10,682.57 |
| | ii) Dividend income | - | - | - | - | - | - |
| | iii) Rental income | 36.81 | 25.59 | 24.08 | 87.19 | 60.94 | 72.68 |
| | iv) Fees, charges and commission income | 43.46 | 31.51 | 55.48 | 98.31 | 121.45 | 167.96 |
| | v) Net gain / (loss) on fair value changes | 0.10 | 1.34 | (11.75) | 2.98 | 4.06 | 5.59 |
| | Total Revenue from operations | 3,453.63 | 3,211.94 | 2,862.50 | 9,750.13 | 7,934.65 | 10,928.80 |
| II | Other income | 36.79 | 28.55 | 29.05 | 106.19 | 64.77 | 127.29 |
| III | Total income (I+II) | 3,490.42 | 3,240.49 | 2,891.55 | 9,856.32 | 7,999.42 | 11,056.09 |
| | Expenses | | | | | | |
| | i) Finance costs | 1,674.96 | 1,566.47 | 1,241.94 | 4,691.88 | 3,242.73 | 4,576.72 |
| | ii) Fees and commission expense | 26.76 | 27.98 | 13.12 | 74.81 | 40.23 | 80.24 |
| | iii) Impairment on financial instruments (refer notes 5 and 6) | 328.36 | 626.55 | 155.13 | 1,481.32 | 998.85 | 999.23 |
| | iv) Employee benefits expenses | 434.19 | 436.77 | 399.65 | 1,288.32 | 1,129.03 | 1,584.27 |
| | v) Depreciation, amortization and impairment | 57.96 | 56.00 | 52.20 | 168.27 | 133.96 | 187.23 |
| | vi) Other expenses | 234.08 | 210.44 | 186.37 | 627.79 | 645.77 | 875.82 |
| IV | Total expenses | 2,756.31 | 2,924.21 | 2,048.41 | 8,332.39 | 6,190.57 | 8,303.51 |
| V | Profit / (Loss) before exceptional items and tax (III-IV) | 734.11 | 316.28 | 843.14 | 1,523.93 | 1,808.85 | 2,752.58 |
| VI | Exceptional item (refer note 7) | - | - | - | - | (54.51) | (54.51) |
| VII | Profit / (Loss) before tax (V+VI) | 734.11 | 316.28 | 843.14 | 1,523.93 | 1,754.34 | 2,698.07 |
| VIII | Tax expense : | | | | | | |
| | i) Current tax | 161.45 | 152.84 | 120.16 | 480.62 | 387.47 | 486.28 |
| | ii) Deferred tax | 19.87 | (71.74) | 94.03 | (97.32) | 66.67 | 227.47 |
| | | 181.32 | 81.10 | 214.19 | 383.30 | 454.14 | 713.75 |
| IX | Profit / (Loss) for the period / year (VII-VIII) | 552.79 | 235.18 | 628.95 | 1,140.63 | 1,300.20 | 1,984.32 |
| X | Other Comprehensive Income (OCI) | | | | | | |
| A) | (i) Items that will not be reclassified to profit or loss | | | | | | |
| | - Remeasurement gain / (loss) on defined benefit plans | 2.53 | 1.04 | 1.53 | (6.91) | (17.22) | (17.27) |
| | (ii) Income tax relating to the above items | (0.64) | (0.25) | (0.39) | 1.74 | 4.33 | 4.35 |
| | Subtotal (A) | 1.89 | 0.79 | 1.14 | (5.17) | (12.89) | (12.92) |
| B) | (i) Items that will be reclassified to profit or loss | | | | | | |
| | - Net gain / (loss) on debt instruments through OCI | 24.94 | (5.89) | 26.88 | 47.74 | (103.21) | (88.82) |
| | - Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | (11.57) | 7.18 | - | 0.44 | - | (6.34) |
| | (ii) Income tax relating to the above items | (3.37) | (0.33) | (6.76) | (12.13) | 25.98 | 23.95 |
| | Subtotal (B) | 10.00 | 0.96 | 20.12 | 36.05 | (77.23) | (71.20) |
| | Other Comprehensive Income (A + B) | 11.89 | 1.75 | 21.26 | 30.88 | (90.12) | (84.12) |
| XI | Total Comprehensive Income for the period / year (IX+X) | 564.68 | 236.93 | 650.21 | 1,171.51 | 1,210.08 | 1,900.20 |
| XII | Earnings per equity share (face value of Rs.2/- each) # | | | | | | |
| | Basic (Rupees) | 4.48 | 1.91 | 5.10 | 9.24 | 10.54 | 16.09 |
| | Diluted (Rupees) | 4.47 | 1.90 | 5.09 | 9.23 | 10.53 | 16.08 |

Earnings per share for the interim period is not annualized.

Notes:

- 1) The above unaudited standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and accordingly, these unaudited financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act"), directions/ guidelines issued by the Reserve Bank of India ("RBI") and other recognized accounting practices generally accepted in India. The above unaudited standalone financial results are in compliance with Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). The significant accounting policies applied in preparation of these unaudited standalone financial results are consistent with those followed in the Standalone financial statements for the year ended 31 March 2023.

These unaudited standalone financial results are available on the websites of the Stock Exchanges, <http://www.nseindia.com/corporates> and <http://www.bseindia.com/corporates> and on the website of the Company at the URL <https://www.mahindrafinance.com/investor-relations/financial-information#financial-results>.

- 2) The above unaudited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 30 January 2024.
- 3) In compliance with Regulation 33 and Regulation 52 read with Regulation 63 (2) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of financial results for the quarter and nine months ended 31 December 2023 has been carried out by Joint Statutory Auditors of the Company.
- 4) The Company is engaged primarily in the business of financing in India and accordingly there is no separate reportable segment as per Ind AS 108 'Operating Segments'.
- 5) The Company has been updating the Expected Credit Loss model (ECL) with the latest set of data inputs on reasonable periodic intervals to capture the expected significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. During the current quarter, for its retail vehicle loans, the Company has updated its ECL model by including multi-factor macro-economic variables and product classification of loan portfolio which has been reviewed by Audit committee on 30 January 2024 and approved by Board of Director on 30 January 2024. Consequently, as a result of the above change in estimate, ECL charge for the quarter and nine months ended 31 December 2023 is lower by Rs 86.06 crore. The Company holds provision towards expected credit loss on financial assets as at 31 December 2023 aggregating to Rs.3,655.35 crore (as at 31 March 2023: Rs.3,294.71 crore).
- 6) In terms of the requirement as per 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, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 December 2023 and accordingly, no amount is required to be transferred to impairment reserve.
- 7) During the previous year ended 31 March 2023, the Company has recorded an impairment loss provision of Rs. 54.51 crore in respect of its subsidiary in Sri Lanka, Mahindra Ideal Finance Limited (MIFL) on account of the severe economic crisis situation in Sri Lanka based on valuation report obtained from an independent registered valuer. Further, the Company has assessed the recent situation in Sri Lanka and observed that the macro-economic situation along with business scenario for the entity has shown improvements.
- 8) All the secured non-convertible debentures of the Company are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and book debts. Further, the Company in respect of secured listed non-convertible debt securities maintains required 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.
- 9) The asset cover available as on 31 December 2023 in respect of listed secured debt securities is 1.08.
- 10) The compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) read with Regulation 63 (2) of the Listing Regulations is made in Appendix 1.
- 11) Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

**For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited**

**Date : 30 January 2024
Place : Mumbai**

**Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]**

Appendix - 1

Mahindra & Mahindra Financial Services Limited

Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) read with Regulation 63 (2) of the Listing Regulations

Analytical Ratios and other disclosures based on Unaudited Standalone financial results:

Rs. in Crore, unless indicated otherwise

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|------------------|-------------------|------------------|-------------------|------------------|---------------|
| | 31 December 2023 | 30 September 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 March 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| a) Debt equity ratio (no. of times) (refer note ii) | 4.93 | 5.01 | 4.33 | 4.93 | 4.33 | 4.39 |
| b) Debt service coverage ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| c) Interest service coverage ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| d) Outstanding redeemable preference shares (quantity and value) | - | - | - | - | - | - |
| e) Capital redemption reserve | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| f) Debenture redemption reserve | N/A | N/A | N/A | N/A | N/A | N/A |
| g) Net worth (refer note iii) | 17,522.76 | 16,956.15 | 16,397.63 | 17,522.76 | 16,397.63 | 17,088.91 |
| h) Net profit (loss) after tax | 552.79 | 235.18 | 628.95 | 1,140.63 | 1,300.20 | 1,984.32 |
| i) Earnings per share (face value of Rs.2/- each) (not annualized for the interim period) | | | | | | |
| - Basic (Rupees) | 4.48 | 1.91 | 5.10 | 9.24 | 10.54 | 16.09 |
| - Diluted (Rupees) | 4.47 | 1.90 | 5.09 | 9.23 | 10.53 | 16.08 |
| j) Current ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| k) Long term debt to working capital | N/A | N/A | N/A | N/A | N/A | N/A |
| l) Bad debts to Account receivable ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| m) Current liability ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| n) Total debts to total assets % (refer note iv) | 79.83% | 80.48% | 77.86% | 79.83% | 77.86% | 77.89% |
| o) Debtors turnover | N/A | N/A | N/A | N/A | N/A | N/A |
| p) Inventory turnover | N/A | N/A | N/A | N/A | N/A | N/A |
| q) Operating margin (%) | N/A | N/A | N/A | N/A | N/A | N/A |
| r) Net profit margin (%) (refer note v) | 15.84% | 7.26% | 21.75% | 11.57% | 16.25% | 17.95% |
| s) Sector specific equivalent ratios, as applicable. | | | | | | |
| 1) Capital Adequacy Ratio (%) (refer note vi) | 18.35% | 18.73% | 23.43% | 18.35% | 23.43% | 22.52% |
| 2) Gross Stage - 3 Assets % (refer note vii) | 3.97% | 4.29% | 5.93% | 3.97% | 5.93% | 4.49% |
| 3) Net Stage - 3 Assets % (refer note viii) | 1.52% | 1.71% | 2.52% | 1.52% | 2.52% | 1.87% |
| 4) Provision Coverage Ratio for Stage - 3 assets (PCR %) (refer note ix) | 62.73% | 61.18% | 59.00% | 62.73% | 59.00% | 59.46% |

Notes :

- i) Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered with the RBI
- ii) Debt equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / [Equity Share capital + Other equity]
- iii) Net worth = [Equity share capital + Other equity]
- iv) Total debts to total assets = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / Total assets
- v) Net profit margin (%) = Profit after tax / Total income
- vi) Capital Adequacy Ratio has been computed on a standalone basis as per relevant RBI guidelines.
- vii) Gross Stage - 3 Assets % = Gross Stage - 3 Assets / Gross loan assets
- viii) Net Stage - 3 Assets % = (Gross Stage - 3 Assets / less Impairment loss allowance for Stage - 3 Assets) / (Gross loan assets / less Impairment loss allowance for Stage - 3 Assets)
- ix) Provision Coverage Ratio (PCR %) = Carrying amount of Impairment loss allowance for Stage - 3 Assets / Gross Stage - 3 Assets

**For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited**

Date : 30 January 2024
Place : Mumbai

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Mahindra & Mahindra Financial Services Limited

CIN : L65921MH1991PLC059642

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

| | | Rs. in Crore | | | | | |
|-------------|--|------------------|-------------------|------------------|-------------------|------------------|------------------|
| | Particulars | Quarter ended | | | Nine months ended | | Year ended |
| | | 31 December 2023 | 30 September 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 March 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| | Revenue from operations | | | | | | |
| i) | Interest income | 3,692.70 | 3,485.02 | 3,133.54 | 10,546.55 | 8,747.78 | 12,029.51 |
| ii) | Dividend income | - | - | 0.01 | - | 0.01 | 0.01 |
| iii) | Rental income | 36.81 | 25.59 | 24.08 | 87.19 | 60.94 | 72.68 |
| iv) | Fees and commission Income | 45.86 | 35.21 | 57.22 | 105.18 | 130.96 | 180.58 |
| v) | Net gain / (loss) on fair value changes | 3.23 | 8.29 | (6.42) | 21.32 | 17.94 | 25.37 |
| vi) | Sale of services | 321.48 | 279.14 | 115.34 | 756.29 | 279.21 | 391.38 |
| I | Total Revenue from operations | 4,100.08 | 3,833.25 | 3,323.77 | 11,516.53 | 9,236.84 | 12,699.53 |
| II | Other income | 36.92 | 30.22 | 29.05 | 120.85 | 59.21 | 132.87 |
| III | Total income (I+II) | 4,137.00 | 3,863.47 | 3,352.82 | 11,637.38 | 9,296.05 | 12,832.40 |
| | Expenses | | | | | | |
| i) | Finance costs | 1,797.76 | 1,703.37 | 1,372.97 | 5,098.32 | 3,616.90 | 5,094.30 |
| ii) | Fees and commission expense | 256.51 | 236.91 | 75.12 | 609.34 | 184.70 | 285.26 |
| iii) | Impairment on financial instruments (refer notes 6 and 7) | 346.85 | 646.44 | 182.10 | 1,586.11 | 1,098.54 | 1,182.59 |
| iv) | Employee benefits expenses | 566.83 | 576.07 | 534.26 | 1,701.36 | 1,516.10 | 2,115.33 |
| v) | Depreciation, amortization and impairment | 69.23 | 67.08 | 63.04 | 202.67 | 160.98 | 225.96 |
| vi) | Other expenses | 286.19 | 264.48 | 249.14 | 787.80 | 823.80 | 1,112.46 |
| IV | Total expenses | 3,323.37 | 3,494.35 | 2,476.63 | 9,985.60 | 7,401.02 | 10,015.90 |
| V | Profit / (Loss) before exceptional items, Share of profit / (loss) of associate & joint ventures and tax (III-IV) | 813.63 | 369.12 | 876.19 | 1,651.78 | 1,895.03 | 2,816.50 |
| VI | Exceptional item (refer note 8) | - | - | - | - | (56.06) | (56.06) |
| VII | Share of profit / (loss) of associate & joint ventures | 12.75 | 14.15 | 7.35 | 40.67 | 30.90 | 43.32 |
| VIII | Profit / (Loss) before tax (V+VI+VII) | 826.38 | 383.27 | 883.54 | 1,692.45 | 1,869.87 | 2,803.76 |
| IX | Tax expense : | | | | | | |
| i) | Current tax | 179.00 | 165.72 | 115.66 | 518.39 | 395.96 | 498.15 |
| ii) | Deferred tax | 24.43 | (69.69) | 103.50 | (98.35) | 77.63 | 234.41 |
| X | Profit / (Loss) for the period / year (VIII-IX) | 203.43 | 96.03 | 219.16 | 420.04 | 473.59 | 732.56 |
| XI | Other Comprehensive Income (OCI) | | | | | | |
| A) | (i) Items that will not be reclassified to profit or loss | | | | | | |
| | - Remeasurement gain / (loss) on defined benefit plans | 3.01 | 0.56 | 3.05 | (7.44) | (16.27) | (17.94) |
| | - Share of other comprehensive income / (loss) of equity accounted investees | 0.05 | (0.06) | 0.05 | (0.12) | 0.05 | 0.04 |
| | (ii) Income tax relating to the above items | (0.68) | (0.03) | (0.67) | 1.87 | 4.22 | 4.51 |
| | Subtotal (A) | 2.38 | 0.47 | 2.43 | (5.69) | (12.00) | (13.39) |
| B) | (i) Items that will be reclassified to profit or loss | | | | | | |
| | - Exchange differences in translating the financial statements of foreign operations | 0.09 | (2.88) | 0.45 | 2.06 | (9.39) | (2.44) |
| | - Net gain/(loss) on debt instruments through OCI | 24.85 | (6.46) | 27.24 | 48.03 | (105.81) | (90.76) |
| | - Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | (11.56) | 7.18 | - | 0.45 | - | (6.34) |
| | - Share of other comprehensive income / (loss) of equity accounted investees | 0.36 | 9.77 | 9.89 | 8.78 | 58.50 | 53.79 |
| | (ii) Income tax relating to the above items | (3.34) | (0.18) | (6.85) | (12.20) | 26.63 | 24.44 |
| | Subtotal (B) | 10.40 | 7.43 | 30.73 | 47.12 | (30.07) | (21.32) |
| | Other Comprehensive Income (A + B) | 12.78 | 7.90 | 33.16 | 41.43 | (42.07) | (34.71) |
| XII | Total Comprehensive Income for the period / year (X+XI) | 635.73 | 295.14 | 697.54 | 1,313.84 | 1,354.21 | 2,036.49 |
| | Profit / (Loss) for the period attributable to: | | | | | | |
| | Owners of the Company | 622.56 | 281.09 | 661.43 | 1,262.34 | 1,391.07 | 2,072.40 |
| | Non-controlling interests | 0.39 | 6.15 | 2.95 | 10.07 | 5.21 | (1.20) |
| | | 622.95 | 287.24 | 664.38 | 1,272.41 | 1,396.28 | 2,071.20 |
| | Other Comprehensive Income for the period / year attributable to: | | | | | | |
| | Owners of the Company | 12.64 | 9.05 | 32.79 | 40.57 | (38.33) | (33.63) |
| | Non-controlling interests | 0.14 | (1.15) | 0.37 | 0.86 | (3.74) | (1.08) |
| | | 12.78 | 7.90 | 33.16 | 41.43 | (42.07) | (34.71) |
| | Total Comprehensive Income for the period / year attributable to: | | | | | | |
| | Owners of the Company | 635.20 | 290.14 | 694.22 | 1,302.91 | 1,352.74 | 2,038.77 |
| | Non-controlling interests | 0.53 | 5.00 | 3.32 | 10.93 | 1.47 | (2.28) |
| | | 635.73 | 295.14 | 697.54 | 1,313.84 | 1,354.21 | 2,036.49 |
| XIII | Earnings per equity share (face value of Rs.2/- each) # | | | | | | |
| | Basic (Rupees) | 5.05 | 2.28 | 5.36 | 10.23 | 11.28 | 16.81 |
| | Diluted (Rupees) | 5.04 | 2.27 | 5.35 | 10.22 | 11.27 | 16.79 |

Earnings per share for the interim period is not annualized.

Notes:

- 1) The above unaudited consolidated financial results of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act"), directions/ guidelines issued by the Reserve Bank of India ('RBI') and other recognized accounting practices generally accepted in India. The above unaudited consolidated financial results are in compliance with Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). The significant accounting policies applied in preparation of these unaudited consolidated financial results are consistent with those followed in the consolidated financial statements for the year ended 31 March 2023.

These unaudited consolidated financial results are available on the websites of the Stock Exchanges, <http://www.nseindia.com/corporates> and <http://www.bseindia.com/corporates> and on the website of the Company at the URL <https://www.mahindrafinance.com/investor-relations/financial-information#financial-results>.

- 2) The above unaudited consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 30 January 2024.
- 3) The unaudited consolidated financial results for the quarter and nine months ended 31 December 2023 comprise the following entities of the group -
- i) The unaudited financial results of Mahindra & Mahindra Financial Services Limited (the "Parent"), its subsidiaries, Mahindra Insurance Brokers Limited (100%) and Mahindra Rural Housing Finance Limited (98.43%), and joint ventures, Mahindra Manulife Investment Management Private Limited (MMIMPL: 51%) (Formerly known as "Mahindra Asset Management Company Private Limited") and Mahindra Manulife Trustee Private Limited (MMTPL: 51%) (Formerly known as "Mahindra Trustee Company Private Limited"). The unaudited financial results of the Parent, subsidiaries and joint ventures have been subjected to limited review by the Statutory Auditors of respective entities. The joint ventures, MMIMPL and MMTPL have been consolidated under equity method of accounting;
- ii) The Management certified financial results of subsidiaries, Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust (MMFSL ESOP Trust), Mahindra Rural Housing Finance Limited Employee Welfare Trust (MRHFL EWT), Mahindra Finance CSR Foundation and foreign subsidiary, Mahindra Ideal Finance Limited (58.20%), in Sri Lanka. The standalone financial results of these entities do not constitute a material component of the consolidated financial results; and
- iii) The Management certified financial results of associate, Mahindra Finance USA LLC (49%), in the United States. The standalone financial results of Mahindra Finance USA LLC do not constitute a material component of the consolidated financial results and these have been consolidated as associate, under equity method of accounting.
- 4) In compliance with Regulation 33 and Regulation 52 read with Regulation 63 (2) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of consolidated financial results for the quarter and nine months ended 31 December 2023 has been carried out by Joint Statutory Auditors of the Company.
- 5) The Segment Reporting in respect of the Consolidated Financial Results is given in Appendix 1.
- 6) The Parent and its subsidiary in the housing finance business have been updating the Expected Credit Loss model (ECL) model with the latest set of data inputs on reasonable periodic intervals to capture the expected significant changes in macro-economic growth prospects and shifts in market drivers and changes in risk profile of customer credit exposures. During the current quarter, the Parent has updated its ECL model by including multi-factor macro-economic variables and product classification of loan portfolio which has been reviewed by Audit committee on 30 January 2024 and approved by Board of Director on 30 January 2024. Consequently, as a result of the above change in estimate, ECL charge for the quarter and nine months ended 31 December 2023 is lower by Rs 86.06 crore. The Parent and its subsidiary in the housing finance business holds provision towards expected credit loss on financial assets as at 31 December 2023 aggregating to Rs.3,988.59 crore (as at 31 March 2023: Rs.3,652.76 crore).
- 7) In terms of the requirement as per 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, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Parent and its subsidiary in the housing finance business exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 December 2023 and accordingly, no amount is required to be transferred to impairment reserve.
- 8) During the previous year ended 31 March 2023, the Parent has recorded an impairment loss provision of Rs. 56.06 crore in respect of its subsidiary in Sri Lanka, Mahindra Ideal Finance Limited (MIFL) on account of the severe economic crisis situation in Sri Lanka based on valuation report obtained from an independent registered valuer. Further, the Parent has assessed the recent situation in Sri Lanka and observed that the macro-economic situation along with business scenario for the entity has shown improvements.
- 9) Pursuant to Share Purchase Agreement dated 21 October 2022 entered into by the Parent with Inclusion Resources Private Limited (IRPL) to acquire balance 20% equity stake in its subsidiary Mahindra Insurance Brokers Ltd (MIBL) and on receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI), the Parent has completed the acquisition of 20,61,856 Equity shares of Rs. 10 each of MIBL, at a price of Rs. 1001 per share on 22 September 2023 involving a pay-out of Rs.206.39 crore. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent effective from 22 September 2023. The consolidated financial statements have been given effect of this transaction to reflect the relevant accounting implications as at 30 September 2023.
- 10) All the secured non-convertible debentures (NCDs) of the Parent Company are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and book debts. Further, the Parent Company in respect of secured listed non-convertible debt securities maintains required 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. All secured NCDs issued by its subsidiary Company in the housing finance business are secured by pari-passu charges on its Pune office and/or exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured NCDs.
- 11) The asset cover available as on 31 December 2023 in respect of listed secured debt securities for the Parent is 1.08 and for the subsidiary company in the housing finance business is 1.03.
- 12) The compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) read with Regulation 63 (2) of the Listing Regulations is made in Appendix 2.
- 13) Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Date : 30 January 2024
Place : Mumbai

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Appendix 1**Mahindra & Mahindra Financial Services Limited****Segment-wise Revenue, Results, Assets and Liabilities for Consolidated results as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Rs. in Crore

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|--------------------|--------------------|------------------|--------------------|------------------|--------------------|
| | 31 December 2023 | 30 September 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 March 2023 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| (a) Segment Revenue | | | | | | |
| - Financing activities | 3,816.07 | 3,588.33 | 3,240.84 | 10,887.09 | 9,026.96 | 12,451.85 |
| - Others | 330.76 | 288.85 | 123.13 | 783.52 | 305.61 | 426.58 |
| Total | 4,146.83 | 3,877.18 | 3,363.97 | 11,670.61 | 9,332.57 | 12,878.43 |
| Less : Inter-segment revenue | 9.83 | 13.71 | 11.15 | 33.23 | 36.52 | 46.03 |
| Net revenue | 4,137.00 | 3,863.47 | 3,352.82 | 11,637.38 | 9,296.05 | 12,832.40 |
| (b) Segment Results (Profit / (Loss) before tax) : | | | | | | |
| - Financing activities | 767.16 | 344.90 | 865.51 | 1,571.27 | 1,840.66 | 2,757.72 |
| - Others | 59.22 | 38.37 | 18.03 | 121.18 | 29.21 | 46.04 |
| Net Profit / (Loss) before tax | 826.38 | 383.27 | 883.54 | 1,692.45 | 1,869.87 | 2,803.76 |
| (c) Segment Assets : | | | | | | |
| - Financing activities | 1,13,798.60 | 1,10,944.90 | 97,746.68 | 1,13,798.60 | 97,746.68 | 1,03,109.20 |
| - Others | 788.67 | 774.61 | 641.16 | 788.67 | 641.16 | 661.27 |
| - Other unallocable assets | 1,564.71 | 1,544.86 | 1,466.51 | 1,564.71 | 1,466.51 | 1,314.30 |
| Total | 1,16,151.98 | 1,13,264.37 | 99,854.35 | 1,16,151.98 | 99,854.35 | 1,05,084.77 |
| (d) Segment Liabilities : | | | | | | |
| - Financing activities | 96,541.39 | 94,265.75 | 81,644.51 | 96,541.39 | 81,644.51 | 86,161.14 |
| - Others | 234.06 | 245.10 | 143.15 | 234.06 | 143.15 | 148.04 |
| - Other unallocable liabilities | 96.24 | 111.14 | 109.63 | 96.24 | 109.63 | 74.15 |
| Total | 96,871.69 | 94,621.99 | 81,897.29 | 96,871.69 | 81,897.29 | 86,383.33 |

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

Date : 30 January 2024
Place : Mumbai

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Appendix - 2**Mahindra & Mahindra Financial Services Limited**

Compliance related to disclosure of certain ratios and other financial information as required under Regulation 52 (4) read with Regulation 63 (2) of the Listing Regulations

Analytical Ratios and other disclosures based on Unaudited Consolidated financial results:

| | | Rs. in Crore, unless indicated otherwise | | | | | |
|-------------|--|--|-------------------|------------------|-------------------|------------------|---------------|
| Particulars | | Quarter ended | | | Nine months ended | | Year ended |
| | | 31 December 2023 | 30 September 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 March 2023 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| a) | Debt equity ratio (no. of times) (refer note ii) | 4.78 | 4.86 | 4.34 | 4.78 | 4.34 | 4.39 |
| b) | Debt service coverage ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| c) | Interest service coverage ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| d) | Outstanding redeemable preference shares (quantity and value) | - | - | - | - | - | - |
| e) | Capital redemption reserve | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| f) | Debenture redemption reserve | N/A | N/A | N/A | N/A | N/A | N/A |
| g) | Net worth (refer note iii) | 19,241.90 | 18,605.76 | 17,813.10 | 19,241.90 | 17,813.10 | 18,560.09 |
| h) | Net profit (loss) after tax | 622.95 | 287.24 | 664.38 | 1,272.41 | 1,396.28 | 2,071.20 |
| i) | Earnings per share (face value of Rs.2/- each) (not annualized for the interim period) | | | | | | |
| | - Basic (Rupees) | 5.05 | 2.28 | 5.36 | 10.23 | 11.28 | 16.81 |
| | - Diluted (Rupees) | 5.04 | 2.27 | 5.35 | 10.22 | 11.27 | 16.79 |
| j) | Current ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| k) | Long term debt to working capital | N/A | N/A | N/A | N/A | N/A | N/A |
| g) | Bad debts to Account receivable ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| m) | Current liability ratio | N/A | N/A | N/A | N/A | N/A | N/A |
| n) | Total debts to total assets (%) (refer note iv) | 79.17% | 79.83% | 77.46% | 79.17% | 77.46% | 77.49% |
| o) | Debtors turnover | N/A | N/A | N/A | N/A | N/A | N/A |
| p) | Inventory turnover | N/A | N/A | N/A | N/A | N/A | N/A |
| q) | Operating margin (%) | N/A | N/A | N/A | N/A | N/A | N/A |
| r) | Net profit margin (%) (refer note v) | 15.06% | 7.43% | 19.82% | 10.93% | 15.02% | 16.14% |

Notes :

- Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non banking financial company registered with the RBI
- Debt equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / [Equity Share capital + Other equity]
- Net worth = [Equity share capital + Other equity]
- Total debts to total assets = [Debt Securities + Borrowings (Other than Debt Securities) + Deposits + Subordinated Liabilities] / Total assets
- Net profit margin (%) = Profit after tax / Total income

**For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited**

**Date : 30 January 2024
Place : Mumbai**

**Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]**