

**CLARIFICATION ON ITEM NO. 7 OF AGM NOTICE DATED 4<sup>TH</sup> MAY 2024.**

**Special Resolution being proposed for approval of Members at 34<sup>th</sup> Annual General Meeting :**

**Appointment of Mr. Vijay Kumar Sharma as an Independent Director of the Company for a 1<sup>st</sup> term of 5 consecutive years with effect 15<sup>th</sup> May 2024.**

**Clarification / Additional Information/ Re-iteration to Investors :**

1. Mr. Sharma meets the criteria of independence, as prescribed under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
2. Mr. Vijay Kumar Sharma was a Non-Executive (“NE”) Non-Independent Director (“NID”) of the Promoter and holding Company i.e. Mahindra & Mahindra Limited (“M&M”) from 14<sup>th</sup> November 2018 to 20<sup>th</sup> December 2023 , representing Life Insurance Corporation of India (“LIC”) and was not having any employment relationship with M & M.
3. Mr. Vijay Kumar Sharma’s tenure with M&M as Non-Executive Non-Independent Director has been for ~ 5 yrs. 1 m, and he is proposed to be appointed as Independent Director of Mahindra & Mahindra Financial Services Limited (“MMFSL”) for 1<sup>st</sup> term of 5 years.
4. In compliance with Clause 149(6)(d)(e)(i) of Companies Act 2013 (“CA 2013”) which is one of criteria of Independence , neither Mr. Vijay Kumar Sharma nor any of his relatives hold or has held the position of KMP or is or has been employee of the Company or its Holding , subsidiary, associate in any of 3 Financial Years (“FY”) preceding the FY in which he is proposed to be appointed.
5. As per 1<sup>st</sup> proviso to S.149(11) of CA 2013, the requirement of cooling period of 3 years is applicable only after an Independent Director has served for 2 consecutive terms of 5 years each in a Company.
6. As per Section 149(6) read with section 149(10) and section 149(11) of the Companies Act 2013 , an Independent Director ( in relation to a Company / vis a vis a Company ) is permitted to hold office for two consecutive terms of 5 years each. As per regulations the tenure is to be considered in relation to a Company in which the Independent Director is proposed to be appointed, and not the tenure served at Group Company level.

7. Mr. Vijay Kumar Sharma is a man of high professional repute, conduct and integrity with demonstrated experience in long standing Insurance career which would benefit the Company. The Nomination and Remuneration Committee and Board have opined that he is independent of Management and his proposed appointment will be in the interest of the Company.
8. The above is to be read with the resolution at Item no. 7 of Company's AGM Notice dated 4<sup>th</sup> May 2024, along with explanatory statement thereon.

Thanking you,

For **Mahindra & Mahindra Financial Services Limited**



**Brijbala Batwal**  
Company Secretary  
F5220

15<sup>th</sup> July 2024.