Mahindra & Mahindra Financial Services Ltd.
Mahindra Towers, 3rd Floor,
Dr. G. M. Bhosale Marg,
Worli, Mumbai - 400 018, India.

Tel: +91 22 66526000

2nd May 2025

To,
BSE Limited, (Scrip code: 532720)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd., (Symbol: M&MFIN)
Exchange Plaza, 5th Floor, Plot No. C/1, "G" Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sir/ Madam,

Sub: Submission of Audited Financial Statements for the financial year ended 31st March 2025

Ref: Outcome of Board Meeting submitted vide letter dated 22nd April 2025

This is further to our letter as referenced in caption, wherein we had submitted Audited Standalone and Consolidated Financial Results for the fourth quarter and financial year ended 31st March 2025 in compliance with Regulation 33, 52 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Please find enclosed Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March 2025 together with Auditors' Report thereon.

Note: Owing to file size restriction for upload on Exchange(s), the enclosed file has been compressed due to which some content may be partially blurred. Investors are requested to refer to the copy hosted on the Company's website at: https://www.mahindrafinance.com/investor-relations/financial-information

You are requested to kindly take the above information on record.

Thanking you,
For **Mahindra & Mahindra Financial Services Limited**
BRIJBALA MOHANLAL BATWAL
Digitally signed by BRIJBALA MOHANLAL BATWAL
Date: 2025.05.02 21:43:33 +05'30'

Brijbala Batwal
Company Secretary
FCS: 5220

M M Nissim & Co LLP
Chartered Accountants

Barodawala Mansion,
B-wing, 3rd Floor, 81
Dr. Annie Besant Road
Worli, Mumbai - 400 018

M. P. Chitale & Co.
Chartered Accountants

1st Floor, Hamam House,
Ambalal Doshi Marg,
Fort, Mumbai - 400 001

Independent Auditor's Report

To the Members of Mahindra & Mahindra Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Mahindra & Mahindra Financial Services Limited** ('the Company'), which comprise the Standalone Balance Sheet as at March 31, 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'Standalone Financial Statements').

2. 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 ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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M. P. CHITALE & CO. MUMBAI C.A.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2025. 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.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer Note 2.5 (ii) for material accounting policies and Note 49.2 for credit risk disclosures)	
As at March 31, 2025, the Company has reported gross loan assets of ₹ 1,19,673.02 crores against which an impairment loss of ₹ 3,459 crores has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 - Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: ➢ ensuring completeness and accuracy of the data used to create assumptions in the model. ➢ determining the criteria for a significant increase in credit risk. ➢ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default.	Our audit included assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions; • Considered the Company's accounting policies for estimation of Expected Credit Loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Obtained an understanding of the management's updated processes, systems and controls implemented in relation to impairment allowance process. • Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays;

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These parameters are derived from the Company's internally developed statistical models and other historical data. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to Non-Performing Assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets; • Assessed the critical assumptions and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 49 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Information Technology and General Controls	
The Company is highly dependent upon its Information Technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed daily basis as part of the operations, which impacts key financial accounting and reporting. The company has put in place the IT General Controls and application controls to ensure that the information produced by the company is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the of the financial statements. Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.	Our audit procedures for assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following: • Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e., job processing, data/ system backup and incident management and application controls relevant to our audit. • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure 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 re-certified during the period of audit. • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll, borrowings and investment among others, for evaluating completeness and accuracy and; • Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would

	impact the controls or completeness and accuracy of data. • We have also relied on IS and other technology audits conducted during the year. • We have obtained management representations wherever considered necessary.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the preparation of other information. This other information comprises the information included in the Board's Report (including annexures thereto) and Management Discussion and Analysis ("MD&A") (collectively referred to as "Other Information"), but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Other Information is expected to be made available to us after the date of this Auditors' 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.

7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

   When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying Standalone Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act, RBI Guidelines 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and

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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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. 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 Standards on Auditing 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.

12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgement 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 with reference to Standalone Financial Statements in place and the operating effectiveness of such controls based on our audit;

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of Board of Directors and 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; and

- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Statements of the Company to express an opinion on the Standalone Financial Statements.

13. 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.

14. 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.

15. 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 financial year ended March 31, 2025 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 Matter

16. These Standalone Financial Statements include the figures for the year ended March 31, 2024 which were audited by predecessor auditors who expressed an unmodified opinion as relevant on those Standalone Financial Statements vide their audit report dated May 04,

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2024. Our opinion on the Standalone Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

19. Further to our comments in Annexure I, as required by Section 143(3) of the Act based on our audit, 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 purpose of our audit of the accompanying Standalone Financial Statements;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

c) the Standalone Financial Statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 Standalone financial statements of the Company as on March 31, 2025 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

g) 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:

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i. The Company, as detailed in Note 43 to the Standalone Financial Statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2025;

ii. The Company, as detailed in Note 47 to the Standalone Financial Statements, has made provision as at March 31, 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025. The Company, as detailed in Note 18 to the Standalone Financial Statements, has regularly transferred the required amounts to the Investor Education and Protection Fund;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36 (vi) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 36 (vi), to the Standalone Financial Statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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 such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the company during the year in accordance with the provision of section 123 of the Act; and

vi. Based on our examination, which included test checks, the Company has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of customer masters in

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two accounting software wherein earlier value is not retained, databases maintained in two accounting software where the audit trail feature was not enabled for part of the year and five accounting software where the audit trail feature at the database level (DML logs) was not enabled throughout the year to log any direct data changes. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid masters and databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDL4882

Place: Mumbai
Date: April 22, 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNS7695

Place: Mumbai
Date: April 22, 2025

Annexure I referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Mahindra & Mahindra Financial Services Limited on the Standalone Financial Statements for the year ended March 31, 2025

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 report 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. During the year, the management has carried out physical verification of all the Property, Plant and Equipment. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable property disclosed in the financial statements included under PPE are held in the name of the Company.

d. The Company has not revalued any of its Property, Plant and Equipment (including Right-Of- Use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii.a. The Company is engaged in providing financial services primarily into non-banking financial services (NBFC). Accordingly, it does not hold any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions, in aggregate based on the security of loans (assets). We have observed reconciliation items in the quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions as compare to the books of accounts maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such difference /reconciliation items are given in Note 17 of the standalone financial statements of the Company.

iii.a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b. The investments made, guarantee provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest.

c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below:

Overdue amount as on March 31, 2025

Particulars - Days past due	Total amount due (in crores)
1-30 days	435.98
31-90 days	743.42
More than 90 days	1,789.95
Total	**2,969.35**

d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to Rs.1,789.95 Crores as at March 31, 2025 in respect of 1,17,623 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f. The Company has not granted any loans or advances in the nature of loans which are repayable on demand (except for the short-term loan) or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities to the parties that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

v. In our Opinion, the Company had complied with the directive issued by the Reserve Bank of India ('the RBI') with regards to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanation given to us, the provisions of sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the RBI. We are informed by the management that no order has been passed by the Company Law Tribunal or RBI or any Court or any other Tribunal against the Company in this regard.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii.a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. 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.

The following undisputed amounts payable in respect of Provident Fund are in arrears as at March 31, 2025, for a period of more than six months from the date they became payable:

Name of the Statute	Nature of the Dues	Amount due in Rs.	Period to which the amount relates	Due Date	Date of payment (if paid)	Remarks
Provident Fund	PF Contribution	14,85,672	April 2022 - September 2024	Various due dates	-	Due to pending Aadhar Seeding of employees

b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending

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Income Tax Act, 1961	Income Tax	435.51	FY 2013-14; 2016-17; 2017-18; 2018-19	Commissioner of Income Tax (Appeals)
VAT – Andhra Pradesh	Value Added Tax	1.24	FY 2008-09 to FY 2013-14	Andhra Pradesh High Court
VAT – Madhya Pradesh	Value Added Tax	0.07	FY 2013-14 to 2016-17	Appellate Authority of Commercial Taxes, Bhopal
VAT – Maharashtra	Value Added Tax	7.5	FY 2010-11; FY 2012-13 to FY 2015-16	Maharashtra Sales Tax Tribunal
VAT – Maharashtra	Value Added Tax	0.45	FY 2011-12	Deputy Commissioner of Sales Tax (Appeals)
Service Tax	Service Tax	93.66	FY 2007-08 to FY 2014-15	Customs, Excise & Service Tax Appellate Tribunal
GST – Uttar Pradesh	Goods & Services Tax	22.82	FY 2017-18 to 2019-20	Allahabad High Court, Lucknow Bench
GST – Maharashtra	Goods & Services Tax	0.85	FY 2017-18	Joint Commissioner of State Tax, Maharashtra

viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), which have not been recorded in the books of accounts.

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender or government or any government authority.

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c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

e. According to the information and explanations given to us and 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 accounts of or to meet the obligation of its subsidiaries, joint ventures or associate.

f. According to the information and explanations given to us and as verified by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanation given to us and as verified by us, the company has utilized funds raised by way of private placement of debentures for the purpose for which they were raised and there was no preferential allotment or private placement of shares during the year.

xi. a. To the best of our knowledge according to the information and explanations given to us and as verified by us, no fraud by the Company has been noticed or reported during the year. Accordingly, to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except for misappropriation cash by its employees or cheating and forgery of documents by its employees or by the customers of the Company identified by the management during the year, involving amounts aggregating to Rs. 6.33 Crores as mentioned in Note 42 of the accompanying standalone financial statements. The Company has initiated necessary action against the employees and customers connected to such instances including of their employment contracts and recovery of the amounts.

b. To the best of our knowledge, report under sub-section (12) of section 143 of the Companies Act has been filed by the predecessor Joint Statutory Auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government on June 12, 2024.

M M NISSIM & CO LLP FRN: 107122W/W100672 MUMBAI CHARTERED ACCOUNTANTS

M. P. CHITALE & CO. MUMBAI C.A.

c. We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act and all details have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv.a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and the nature of its business.

b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. According to the information and explanation given to us, and based on our examination of the records, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act 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 such registration has been obtained by the Company.

b. During the year, the Company has not conducted any Non - Banking Financial activities without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has 4 CICs forming part of the group.

xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

M M NISSIM & CO LLP FRN: 107122W W100672 MUMBAI CHARTERED ACCOUNTANTS

M. P. CHITALE & CO. MUMBAI C.A.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and 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 standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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. 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.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For M M Nissim & Co LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

M M NISSIM & CO LLP
FRN : 107122W / W100672
MUMBAI
CHARTERED ACCOUNTANTS

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDL4882

Place: Mumbai
Date: April 22, 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

M. P. CHITALE & CO.
MUMBAI
C.A.

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNS7695

Place: Mumbai
Date: April 22, 2025

Annexure II to the Independent Auditor's Report of even date to the members of Mahindra & Mahindra Financial Services Limited on the Standalone Financial Statements for the year ended March 31, 2025

Independent Auditor's Report on the internal financial controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the standalone financial statements of **Mahindra & Mahindra Financial Services Limited** ('the Company') as at and for the year ended **March 31, 2025**, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Board of Director's Responsibilities for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 ('the Guidance Note') 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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

6. 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 include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. 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.

M M NISSIM & CO LLP * CHARTERED ACCOUNTANTS * FRN: 107122W W100672 MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at March 31, 2025, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For M M Nissim & Co LLP **Chartered Accountants** Firm Regn. No. 107122W/W100672	**For M. P. Chitale & Co.** **Chartered Accountants** Firm Regn. No.101851W
Sanjay Khemani **Partner** Membership No.: 044577 UDIN: 25044577BMOBDL4882	**Ashutosh Pednekar** **Partner** Membership No.: 041037 UDIN: 25041037BMLWNS7695
Place: Mumbai Date: April 22, 2025	Place: Mumbai Date: April 22, 2025

Mahindra & Mahindra Financial Services Limited

Standalone Balance Sheet
as at March 31, 2025

Rs. in crore

	Particulars	Note	As at March 31, 2025	As at March 31, 2024
	ASSETS			
	Financial Assets			
a)	Cash and cash equivalents	3	1,666.56	311.07
b)	Bank balance other than (a) above	4	3,869.31	2,955.99
c)	Derivative financial instruments	5	30.95	-
d)	Receivables			
	- Trade receivables	6	53.02	24.74
e)	Loans	7	1,16,214.02	99,195.18
f)	Investments	8	10,400.48	9,650.82
g)	Other financial assets	9	247.53	228.83
			1,32,481.87	1,12,366.63
	Non-financial Assets			
a)	Current tax assets (Net)		601.68	609.78
b)	Deferred tax assets (Net)	10 (i)	640.99	691.08
c)	Property, plant and equipment	11 (a)	876.38	811.11
d)	Capital work-in-progress	11 (b)	0.52	0.15
e)	Intangible assets under development	12 (a)	65.10	105.10
f)	Other Intangible assets	12 (b)	172.89	14.61
g)	Other non-financial assets	13	708.75	560.75
			3,066.31	2,792.58
	Total Assets		1,35,548.18	1,15,159.21
	LIABILITIES AND EQUITY			
	LIABILITIES			
	Financial Liabilities			
a)	Derivative financial instruments	14	390.05	335.27
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		1,208.56	1,459.47
	II) Other payables			
	i) total outstanding dues of micro enterprises and small enterprises		2.71	2.80
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		17.62	62.62
c)	Debt securities	16	26,204.83	27,697.03
d)	Borrowings (Other than debt securities)	17	69,734.92	54,467.22
e)	Deposits	18	11,404.15	7,544.18
f)	Subordinated liabilities	19	5,529.57	4,270.15
g)	Other financial liabilities	20	790.60	687.92
			1,15,283.01	96,526.66
	Non-Financial Liabilities			
a)	Current tax liabilities (net)		69.73	119.26
b)	Provisions	21	217.04	205.13
c)	Other non-financial liabilities	22	166.17	150.67
			452.94	475.06
	EQUITY	23		
a)	Equity share capital		246.98	246.88
b)	Other equity		19,565.25	17,910.61
			19,812.23	18,157.49
	Total Liabilities and Equity		1,35,548.18	1,15,159.21

The accompanying notes form an integral part of the Standalone financial statements. *1 to 58*

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

M M NISSIM & CO LLP
FRN : 107122W / W100672
MUMBAI
CHARTERED ACCOUNTANTS

Sanjay Khemani
Partner
Membership No: *044577*

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: *041037*
Mumbai
April 22, 2025

M. P. CHITALE & CO.
MUMBAI
C.A.

Pradeep Kumar Agrawal
Chief Financial Officer

Mumbai
April 22, 2025

Brijbala Batwal
Company Secretary
Membership No.F5220

MUMBAI

Mahindra & Mahindra Financial Services Limited

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

Rs. in crore

	Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
	Revenue from operations			
	i) Interest income	24	15,331.41	13,108.76
	ii) Dividend income		15.46	2.89
	iii) Rental income		153.45	115.46
	iv) Fees, charges and commission income	25	510.59	174.67
	v) Net gain on fair value changes	26	6.14	5.25
	vi) Net gain on derecognition of financial instruments under amortized cost category		1.90	-
I	**Total revenue from operations**		16,018.95	13,407.03
II	Other income	27	55.74	155.39
III	**Total income (I+II)**		16,074.69	13,562.42
	Expenses			
	i) Finance costs	28	7,898.30	6,426.94
	ii) Fees and commission expense		97.84	109.90
	iii) Impairment on financial instruments	29	1,617.86	1,822.79
	iv) Employee benefits expenses	30	1,903.13	1,712.63
	v) Depreciation, amortization and impairment	31	273.42	228.71
	vi) Others expenses	32	1,136.87	905.98
IV	**Total expenses**		12,927.42	11,206.95
V	**Profit before exceptional items and tax (III-IV)**		3,147.27	2,355.47
VI	Exceptional items		-	-
VII	**Profit before tax (V+VI)**		3,147.27	2,355.47
VIII	**Tax expense :**	10 (ii)		
	(i) Current tax		779.45	664.93
	(ii) Deferred tax		22.78	(69.08)
			802.23	595.85
IX	**Profit for the year (VII-VIII)**		2,345.04	1,759.62
X	**Other Comprehensive Income (OCI)**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement gain / (loss) on defined benefit plans		(9.99)	(6.64)
	- Net gain / (loss) on equity instruments through OCI		84.26	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	(18.69)	1.67
	Subtotal (A)		55.58	(4.97)
	(B) (i) Items that will be reclassified to profit or loss			
	- Net gain / (loss) on debt instruments through OCI		96.49	70.58
	-Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(62.23)	(3.39)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(8.62)	(16.91)
	Subtotal (B)		25.64	50.28
	Other Comprehensive Income (A+B)		81.22	45.31
XI	**Total Comprehensive Income for the year (IX+X)**		2,426.26	1,804.93
XII	**Earnings per equity share (face value Rs. 2/- per equity share)**	33		
	Basic (Rupees)		18.99	14.26
	Diluted (Rupees)		18.99	14.25
	The accompanying notes form an integral part of the Standalone financial statements.	1 to 58		

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

M M NISSIM & CO LLP FRN : 107122W / W100672 MUMBAI CHARTERED ACCOUNTANTS

Sanjay Khemani
Partner
Membership No: *044577*

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: *041037*
Mumbai
April 22, 2025

M. P. CHITALE & CO. MUMBAI C.A.

Pradeep Kumar Agrawal
Chief Financial Officer

Mumbai
April 22, 2025

Brijbala Batwal
Company Secretary
Membership No.F5220

MUMBAI

Mahindra & Mahindra Financial Services Limited

Statement of Standalone cash flows
for the year ended March 31, 2025

Rs. in crore

	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	3,147.27	2,355.47
	Adjustments for:		
	Depreciation, amortization and impairment	273.42	228.71
	Impairment on financial instruments (excluding bad debts and write offs)	58.95	107.90
	Bad debts and write offs	1,558.91	1,714.89
	Interest expense	7,978.79	6,386.09
	Interest income from loans	(14,500.50)	(12,328.95)
	Interest income from other deposits with banks	(318.80)	(266.11)
	Net (gain) / loss on fair value of derivative financial instruments	(107.25)	9.47
	Unrealized foreign exchange (Gain)/loss	37.74	(76.49)
	Share based payments to employees	7.25	4.49
	Net (gain)/loss on fair value changes	0.85	(3.46)
	Interest income on investments	(512.11)	(521.57)
	Net gain on derecognition of property, plant and equipment	(4.10)	(6.65)
	Net (gain) / loss on sale of investments	(1.31)	-
	Operating profit / (loss) before working capital changes	(2,380.89)	(2,396.21)
	Adjustments for changes in working capital -		
	Loans	(17,514.42)	(22,063.71)
	Trade receivables	(28.42)	2.28
	Other financial assets	(18.70)	(13.91)
	Other financial liabilities	31.26	31.69
	Other non-financial assets	(150.41)	(199.81)
	Trade Payables	(296.00)	358.58
	Other non-financial liabilities	15.50	26.59
	Derivative financial instruments	131.08	145.10
	Provisions	1.25	(61.84)
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	(20,209.75)	(24,171.24)
	Interest paid	(7,630.56)	(6,336.35)
	Interest received from loans	13,379.76	12,823.56
	Cash generated from / (used in) operations	(14,460.55)	(17,684.03)
	Income taxes paid (net of refunds)	(820.88)	(716.76)
	NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	(15,281.43)	(18,400.79)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(425.10)	(289.03)
	Proceeds from sale of Property, plant and equipment	64.49	50.31
	Purchase of investments measured at amortized cost	-	-
	Proceeds from sale of investments measured at amortized cost	35.25	169.32
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	124.98	(124.98)
	Purchase of investments measured at FVOCI	-	(167.41)
	Proceeds from sale of investments measured at FVOCI	476.40	445.26
	Purchase of investments measured at FVTPL	(17,823.01)	(3,280.79)
	Proceeds from sale of investments measured at FVTPL	16,604.91	3,569.77
	Purchase of shares in a subsidiary company	-	(206.39)
	Proceeds from / (Investments in) term deposits with banks (net)	(914.42)	1,049.09
	Interest received from other deposits with banks	319.99	215.27
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	525.11	528.21
	Change in Earmarked balances with banks	(0.09)	0.03
	NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B)	(1,011.49)	1,958.66

B.S.M. NISSIM & CO. LLP CHARTERED ACCOUNTANTS FRN: 107122W/W100672 MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Mahindra & Mahindra Financial Services Limited

Statement of Standalone cash flows *(Continued)*

for the year ended March 31, 2025

Rs. in crore

	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings through Debt Securities	27,048.97	17,802.10
	Repayment of borrowings through Debt Securities	(28,613.08)	(15,835.68)
	Proceeds from Borrowings (Other than Debt Securities)	42,239.22	35,806.06
	Repayment of Borrowings (Other than Debt Securities)	(27,105.20)	(22,478.11)
	Proceeds from borrowings through Subordinated Liabilities	1,500.00	700.00
	Repayment of borrowings through Subordinated Liabilities	(274.04)	(140.15)
	(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	-	(169.97)
	Increase / (decrease) in Public deposits (net)	3,733.33	1,655.37
	Payments of lease liability	(102.41)	(94.85)
	Dividend paid	(778.38)	(741.32)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	17,648.41	16,503.45
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,355.49	61.32
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	311.07	249.75
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,666.56	311.07
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	- Cash on hand	47.85	52.92
	- Cheques and drafts on hand	16.28	27.92
	- Balances with banks in current accounts	293.51	230.23
	-Term deposits with original maturity up to 3 months	1,307.00	-
	-Interest accrued on Term deposits	1.92	-
	Total	1,666.56	311.07

Note :

The above Statement of Standalone Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Purchase of Property, plant and equipment and intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

M M NISSIM & CO LLP FRN : 107122W / W100672 MUMBAI CHARTERED ACCOUNTANTS

Sanjay Khemani
Partner
Membership No: 044577

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For **M. P. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

M. P. CHITALE & CO. MUMBAI C.A.

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 22, 2025

Mumbai
April 22, 2025

MUMBAI

Mahindra & Mahindra Financial Services Limited

Statement of Changes in Equity for Standalone financial statements

for the year ended March 31, 2025

Rs. in crore

A. Equity share capital

Rs. in crore

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at April 1 2023	**246.72**
Changes due to prior period errors	-
Restated balance as at April 1 2023	246.72
Changes during the year:	
Add : Allotment of shares by ESOP Trust to employees on exercise of options (refer note 34)	0.16
Balance as at March 31, 2024	**246.88**
Balance as at April 1 2024	246.88
Changes due to prior period errors	-
Restated balance as at April 1 2024	246.88
Changes during the year:	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 34)	0.10
Balance as at March 31, 2025	246.98

B. Other Equity

Rs. in crore

Particulars	Reserves and Surplus									Total
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	
Balance as at April 1 2023	2,531.35	50.00	7,170.04	797.94	23.30	6,376.60	(123.76)	21.46	(4.74)	16,842.19
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1 2023	2,531.35	50.00	7,170.04	797.94	23.30	6,376.60	(123.76)	21.46	(4.74)	16,842.19
Profit/(loss) for the year						1,759.62				1,759.62
Other Comprehensive Income / (loss)						(4.97)	52.82	-	(2.54)	45.31
Total Comprehensive Income for the year	-	-	-	-	-	1,754.65	52.82	-	(2.54)	1,804.93
Dividend paid on equity shares (including tax thereon)						(741.32)				(741.32)
Transfers to Securities premium on exercise of employee stock options			13.67		(13.67)					-
Securities premium on transfer of ESOP Shares to employees from grant created out of Rights Issue			1.94							1.94
Employee stock options expired				0.25	(0.25)					-
Share based payment expense					2.87					2.87
Transfers to Statutory reserves	352.00					(352.00)				-
Balance as at March 31, 2024	2,883.35	50.00	7,185.65	798.20	12.24	7,037.93	(70.94)	21.46	(7.28)	17,910.61

Mahindra & Mahindra Financial Services Limited

Statement of Changes in Equity for Standalone financial statements *(Continued)*

for the year ended March 31, 2025

Rs. in crore

B. Other Equity *(Continued)*

Rs. in crore

Particulars	Statutory reserve as per Section 45-IC	Capital redemption reserve	Reserves and Surplus Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Total
Balance as at April 1 2024	2,883.35	50.00	7,185.65	798.20	12.24	7,037.93	(70.94)	21.46	(7.28)	17,910.61
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1 2024	2,883.35	50.00	7,185.65	798.20	12.24	7,037.93	(70.94)	21.46	(7.28)	17,910.61
Profit/(loss) for the year						2,345.04			-	2,345.04
Other Comprehensive Income / (loss)						(7.49)	72.20	63.05	(46.57)	81.19
Total Comprehensive Income for the year	-	-	-	-	-	2,337.55	72.20	63.05	(46.57)	2,426.23
Dividend paid on equity shares (including tax thereon)						(778.38)				(778.38)
Transfers to Securities premium on exercise of employee stock options			8.32		(8.32)					-
Securities premium on transfer of ESOP Shares to employees from grant created out of Rights Issue			1.12							1.12
Employee stock options expired				0.42	(0.42)					-
Share based payment expense					5.67		-			5.67
Transfers to Statutory reserves	469.00					(469.00)				-
Balance as at March 31, 2025	3,352.35	50.00	7,195.09	798.61	9.18	8,128.10	1.26	84.51	(53.85)	19,565.25

The accompanying notes 1 to 58 form an integral part of the Standalone financial statements.

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: *044577*

For M. P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: *041037*

Mumbai
April 22, 2025

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 22, 2025

Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2025

Rs in crore

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1 January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY

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 authorized for issue on April 22, 2025.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') 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 assets and liabilities 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 categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgements and Estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized 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.

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2.5 Use of estimates and judgements and Estimation uncertainty *(Continued)*

i) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to provide the economic inputs into the ECL model
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 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, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Going Concern

The financial statements of the Company are prepared on a going concern basis for the year ended March 31, 2025.

The Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

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Rs. in crore

2.6 Revenue recognition :

a) Recognition of interest income

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at Fair Value Through Other Comprehensive Income (FVOCI) and debt instruments designated at Fair Value Through Profit and Loss (FVTPL). The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.
Interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.
Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Recognition of interest income on securitized loans

The Company securitizes 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 securitization 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 Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

c) Subvention income

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognized 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 recognized over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Income from finance lease

The income earned on finance lease are recognised in the Statement of profit and loss account based on pattern reflecting constant periodic return on the company's net investment in lease.
The fees / charges received towards fleet management services rendered to customers is recognized over the lease term.

f) Fees, charges and commission income :

The Company recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure or prepayment charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transferred assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitization transaction.

Collection fee related to transferred assets under assignment deals is recognised on remittance of collection proceeds to assignees as per the service agreement entered with the assignees.

g) Income on Derecognised (Assigned) Loans :

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the expected cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

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Rs. in crore

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.
Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.
Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE (excluding lease improvements) outstanding at each balance sheet date are disclosed separately as "Capital advances" 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 and cost of leasehold improvements. Capital work-in-progress is stated at cost, net of impairment loss, if any. On completion of work related to leasehold property improvements, the relevant cost is capitalized and the same is amortized over the lease term.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease 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	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 Rs.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.
- Repossessed vehicles capitalized for own use are depreciated at 15% leading to an estimated useful life of 6.67 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.8 Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets representing computer software are amortised using the straight-line method over a period of 3 to 6 years, which is the Management's estimate of useful life. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.
Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

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Rs. in crore

2.9 Investments in subsidiaries, associate and joint ventures :

Investment in subsidiaries, associates and Joint Ventures are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company reviews the carrying amounts of its investments in subsidiaries, associate and joint ventures at the end of each reporting period, to determine whether there is any indication that those investments have impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any) and provided for accordingly. Such impairment loss is reduced from the carrying value of investments.

2.10 Foreign exchange transactions and translations :

a) Initial recognition

Transactions in foreign currencies are recognized 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 recognized 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 recognized 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 recognized 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 recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized 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

- *Amortized cost;*
- *FVOCI - debt instruments;*
- *FVOCI - equity instruments;*
- *FVTPL*

Amortized 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 amortized 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 amortized 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.

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2.11 Financial instruments *(Continued)*

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortized 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 amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized 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 recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

A financial liability is derecognized 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 recognized 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.

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2.11 Financial instruments *(Continued)*

f) Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and principal & interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value on the date on which the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity (relating to effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

g) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized 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. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

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).

The Company recognizes lifetime ECL for trade advances. The expected credit losses on trade advances are estimated using a provision matrix based on the Company's historical credit loss experience.

The industry benchmarking is used for leasing portfolio in the absence of sufficient history.

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 recognized.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities measured at FVOCI, the loss allowance is recognized in OCI.

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Rs in crore

Impairment of financial instruments *(Continued)*

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 loan until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under the Company's ECL policy.

h) Simplified approach for trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk.

i) Collateral repossessed -

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

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 recognized 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.

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Rs in crore

2.12 Employee benefits *(Continued)*

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 recognized in the Statement of profit and loss

c) Gratuity and post retirement medical benefit -

The Company's liability towards gratuity and post retirement medical benefit schemes are 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 recognized 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 recognized 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.

d) Leave encashment / compensated absences / sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules as per leave policy of the Company. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :
Compensation cost on Equity-settled share-based payments to employees are recognized 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.

f) Long-Term Incentive Plan:
The Company pays Long Term Incentives to certain employees on fulfilment of prescribed criteria/conditions. The Company's liability towards Long Term Incentive is determined actuarially based on certain assumptions regarding rate of Interest, staff attrition and mortality as per Projected Unit Credit Method. Expenses towards long term incentive are recognised in the Statement of Profit and Loss.

2.13 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, associated liabilities in respect of securitization transactions, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

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Rs. in crore

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.
The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the 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.

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2.15 Provisions, contingent liabilities and contingent assets:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable.
When some or all economic benefits required to settle a provision are expected to be recovered from third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

2.16 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 recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the 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 recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

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Rs. in crore

2.16 Leases *(Continued)*

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss

d) Cash payments for the principal and interest of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 40

2.17 New standards or amendments to the existing standards and other pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time As on March 31, 2025, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015

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Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

3 Cash and cash equivalents

Rs. in crore

	March 31, 2025	March 31, 2024
Cash on hand	47.85	52.92
Cheques and drafts on hand	16.28	27.92
Balances with banks in current accounts	293.51	230.23
Term deposits with original maturity up to 3 months	1,307.00	-
Interest accrued on Term deposits	1.92	-
	1,666.56	311.07

4 Bank balances other than cash and cash equivalents

Rs. in crore

	March 31, 2025	March 31, 2024
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.66	0.57
Term deposits (with original maturity - more than 3 months)		
- Free	2,273.95	2,311.59
- Under lien #	1,429.06	477.00
Interest accrued on Term deposits	165.64	166.83
	3,869.31	2,955.99

 # Details of Term deposits - Under lien

Rs. in crore

Particulars	As at March 31, 2025 Bank balances other than cash and cash equivalents (Note 4)		Total	As at March 31, 2024 Bank balances other than cash and cash equivalents (Note 4)		Total
For Statutory Liquidity Ratio	356.00		356.00	-		-
For securitization transactions	982.78		982.78	444.23		444.23
Legal deposits	7.67		7.67	0.21		0.21
For Constituent Subsidiary General Ledger (CSGL) account	30.00		30.00	30.90		30.90
Other collateral deposits	52.61		52.61	1.66		1.66
Total	1,429.06	-	1,429.06	477.00	-	477.00

5 Derivative financial instruments

Rs. in crore

	March 31, 2025 Notional amounts	March 31, 2025 Fair value of Assets	March 31, 2024 Notional amounts	March 31, 2024 Fair value of Assets
Currency derivatives :				
Forward contracts	1,669.00	5.26	-	-
Swaps	827.70	25.69	-	-
Total derivative financial instruments	2,496.70	30.95	-	-

Rs. in crore

6 Receivables

Rs. in crore

	March 31, 2025	March 31, 2024
Trade receivables		
i) Secured, considered good* :		
- Lease rental receivable on operating lease transactions	3.15	17.04
Less : Impairment loss allowance	(0.43)	(0.29)
	2.72	16.75
ii) Unsecured, considered good* :		
- Other income receivables	50.30	7.99
iii) Credit impaired* :		
- Subvention and other income receivables	-	-
	-	-
Less : Impairment loss allowance	-	-
	-	-
	53.02	24.74

*Includes dues from related parties

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 March 31, 2025

Rs. in Crore

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	51.16	-	-	-	-	51.16
– which have significant increase in credit risk	1.31	-	-	-	-	1.31
– credit impaired	0.01	0.39	0.52	0.06	-	0.98
ii) Disputed Trade Receivables –						
– considered good	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-
Total	**52.48**	**0.39**	**0.52**	**0.06**	-	**53.45**

There is neither an instance where due date is not specified nor any unbilled dues.

As at March 31, 2024

Rs. in Crore

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables –						
– considered good	13.61	-	-	-	-	13.61
– which have significant increase in credit risk	10.65	-	-	-	-	10.65
– credit impaired	0.51	0.20	0.06	-	-	0.77
ii) Disputed Trade Receivables –						
– considered good	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-
Total	**24.77**	**0.20**	**0.06**	-	-	**25.03**

There is neither an instance where due date is not specified nor any unbilled dues.

Reconciliation of impairment loss allowance on trade receivables

Particulars	March 31, 2025	March 31, 2024
Impairment loss allowance as at beginning of the year	0.29	5.47
Net increase/(decrease) during the year	0.14	(5.18)
Impairment loss allowance at the end of the year	0.43	0.29

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Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

7 Loans

Rs. in crore

	March 31, 2025	March 31, 2024
A) Loans (at amortized cost) :		
Term loans :		
- Retail loans	1,09,239.78	94,190.74
- Small and Medium Enterprise (SME) financing	4,825.83	3,757.67
Bills of exchange	1,322.71	1,054.74
Trade advances	3,197.47	2,879.10
Finance lease	1,087.23	714.52
Total (Gross)	1,19,673.02	1,02,596.77
Less : Impairment loss allowance	(3,459.00)	(3,401.59)
Total (Net)	1,16,214.02	99,195.18
B) i) Secured by tangible assets	1,13,499.66	97,436.10
ii) Secured by intangible assets	-	-
iii) Covered by bank / Government guarantees	11.82	133.36
iv) Unsecured#	6,161.54	5,027.31
Total (Gross)	1,19,673.02	1,02,596.77
Less : Impairment loss allowance	(3,459.00)	(3,401.59)
Total (Net)	1,16,214.02	99,195.18
C) i) Loans in India		
a) Public Sector	-	-
b) Others	1,19,673.02	1,02,596.77
Total (Gross)	1,19,673.02	1,02,596.77
Less : Impairment loss allowance	(3,459.00)	(3,401.59)
Total (Net) - C (i)	1,16,214.02	99,195.18
ii) Loans outside India	-	-
Less : Impairment loss allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ii)	1,16,214.02	99,195.18

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.

\# Includes loans against Fixed Deposits.

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements ***(Continued)***
as at March 31, 2025

Rs. in crore

8 Investments

Rs. in crore

Investments	March 31, 2025						March 31, 2024					
	Amortized cost	At Fair Value			Others (at cost)	Total		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	-	-	78.12	78.12	-	78.12		-	52.86	52.86	-	52.86
Government securities #	1,173.78	4,072.29		4,072.29		5,246.07	1,216.77	4,460.74	-	4,460.74	-	5,677.51
Debt securities -												
i) Commercial Papers	-	-	593.75	593.75	-	593.75	-	-	757.41	757.41	-	757.41
ii) Certificate of deposits	-		2,330.40	2,330.40		2,330.40			967.73	967.73		967.73
iii) Investment in Bonds #	25.70	457.79		457.79	-	483.49	25.84	453.34		453.34		479.18
iv) Investment in Triparty Repo Dealing System (TREPS)	-	-	-	-	-	-	124.98	-	-	-	-	124.98
v) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)##		-	-	-	-	-	-	1.59	-	1.59	-	1.59
Equity instruments -												
i) Equity investment in Smartshift Logistics Solutions Private Limited	-	107.36	-	107.36	-	107.36	-	35.24	-	35.24	-	35.24
ii) New Democratic Electoral Trust	-	0.02	-	0.02	-	0.02	-	0.02	-	0.02	-	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-	-	0.18	0.18	-	0.18			0.22	0.22		0.22
Subsidiaries -												
i) Mahindra Insurance Brokers Limited (1,03,09,280 equity shares of face value of Rs.10/- each)	-	-	-	-	206.84	206.84	-	-	-	-	206.84	206.84
ii) Mahindra Rural Housing Finance Limited (12,09,52,678 equity shares of face value of Rs.10/- each)	-	-	-	-	799.30	799.30		-	-	-	799.30	799.30
iii) Mahindra Finance CSR Foundation (1,000 equity shares of face value of Rs.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

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2025

Rs in crore

8 Investments *(Continued)*

Rs. in crore

Investments	March 31, 2025						March 31, 2024					
	Amortized cost	At Fair Value			Others (at cost)	Total	Amortized cost	At Fair Value			Others (at cost)	Total
		Through OCI	Through profit or loss	Sub-total				Through OCI	Through profit or loss	Sub-total		
Joint Venture -												
i) Mahindra Manulife Investment Management Private Ltd. (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (19,53,00,000 equity shares of face value of Rs 10/- each)	-	-	-	-	195.30	195.30	-	-	-	-	195.30	195.30
ii)Mahindra Manulife Trustee Private Ltd (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (5,00,000 equity shares of face value of Rs 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	-	19.29	-	19.29	-	19.29		7.15		7.15		7.15
ii) Interest accrued on Government securities	20.27	73.76	-	73.76		94.03	21.20	77.95	-	77.95	-	99.15
iii) Interest accrued on Bonds	0.06	11.76	-	11.76		11.82	0.06	11.77	-	11.77	-	11.83
Total - Gross (A)	1,219.81	4,742.27	3,002.45	7,744.72	1,490.46	10,454.99	1,388.85	5,047.80	1,778.22	6,826.02	1,490.46	9,705.33
i) Investments outside India	-	-	-	-	288.52	288.52	-	-	-	-	288.52	288.52
ii) Investments in India	1,219.81	4,742.27	3,002.45	7,744.72	1,201.94	10,166.47	1,388.85	5,047.80	1,778.22	6,826.02	1,201.94	9,416.81
Total - Gross (B)	1,219.81	4,742.27	3,002.45	7,744.72	1,490.46	10,454.99	1,388.85	5,047.80	1,778.22	6,826.02	1,490.46	9,705.33
Less : Allowance for Impairment loss (C)	-	-	-	-	54.51	54.51	-	-	-	-	54.51	54.51
Total - Net D (A-C)	1,219.81	4,742.27	3,002.45	7,744.72	1,435.95	10,400.48	1,388.85	5,047.80	1,778.22	6,826.02	1,435.95	9,650.82

The investments in Government securities for Rs.1,173.78 crore (March 31, 2024: Rs. 1,216.77 crore) and investments in Bonds for Rs. 25.70 crore (March 31, 2024: Rs. 25.84 crore) as shown under Amortized 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.

The investment in Non-Convertible Debentures of Jyoti Structures Limited has been valued at Rs. 1,000.

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2025

Rs in crore

9 Other financial assets

Rs. in crore

	March 31, 2025	March 31, 2024
Security Deposits		
Gross	98.93	77.62
Less : Impairment loss allowance	(0.48)	-
Net	98.45	77.62
Excess Interest Spread on Direct Assignment	1.90	-
Others #		
Gross	148.13	151.93
Less : Impairment loss allowance	(0.95)	(0.72)
Net#	147.18	151.21
	247.53	228.83

includes receivables related to insurance claims and online payment aggregators.

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

Rs. in crore

	Balance as at April 1 2023	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Charge/ (credit) to OCI	Balance as at March 31, 2024	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Balance as at March 31, 2025
Tax effect of items constituting deferred tax liabilities :								
- Application of EIR on financial assets	(80.10)	(0.09)	-	-	(80.19)	(14.15)	-	(94.34)
- Application of EIR on financial liabilities	(8.68)	(13.92)	-	-	(22.60)	-	-	(22.60)
- Share based payments	(4.74)	(1.67)	-	-	(6.41)	(2.51)	-	(8.92)
- FVTPL financial asset	0.30	(1.32)	-	-	(1.03)	(1.22)	-	(2.24)
- Others #	(131.59)	44.02	-	-	(87.57)	10.68	-	(76.90)
	(224.82)	27.02	-	-	(197.80)	(7.21)	-	(205.01)
Tax effect of items constituting deferred tax assets :								
- Provision for employee benefits	26.21	-	-	1.67	27.88	-	2.51	30.39
- Net gain .(loss) on equity instruments through OCI							(21.20)	(21.20)
- Derivatives	51.96	(3.05)	-	-	48.91	0.68	-	49.59
- Allowance for ECL	586.79	56.95	-	(17.76)	625.98	(22.36)	(24.28)	579.34
- Application of EIR on financial liabilities	-	-	-	-	-	-	-	-
- Provision on standard assets	152.92	(15.98)	-	-	136.94	12.78	-	149.72
- Other provisions	44.18	4.14	-	0.85	49.17	(6.67)	15.66	58.16
	862.06	42.06	-	(15.24)	888.88	(15.58)	(27.31)	846.00
Net deferred tax assets	637.24	69.08	-	(15.24)	691.08	(22.78)	(27.31)	640.99

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognized in Statement of profit and loss

Rs. in crore

	March 31, 2025	March 31, 2024
(a) Current tax:		
In respect of current year	779.45	666.56
In respect of prior years	-	(1.63)
	779.45	664.93
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	22.78	(69.08)
Adjustments due to changes in tax rates	-	-
Adj recognised in the current yr in relation to the deferred tax of prior years	-	-
Write down / Reversal of previous write-downs of deferred tax assets	-	-
In respect of prior years	-	-
	22.78	(69.08)
Total Income tax recognized in Statement of profit and loss	802.23	595.85

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Rs. in crore

10 Deferred tax assets (net) and Tax expense *(Continued)*

(iii) Income tax recognized in Other Comprehensive Income

Rs. in crore

	March 31, 2025	March 31, 2024
Deferred tax related to items recognized in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	2.51	1.67
Net gain / (loss) on equity instruments through OCI	(21.20)	-
Net fair value gain on investments in debt instruments at FVTOCI	(24.28)	(17.76)
Net fair value gain on investments in equity shares at FVTOCI	-	-
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	15.66	0.85
Investee's share of other comprehensive income of equity accounted investments	-	-
Total Income tax recognized in Other Comprehensive Income	(27.31)	(15.24)

Rs. in crore

	March 31, 2025	March 31, 2024
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(18.69)	1.67
Income taxes related to items that will be reclassified to profit or loss	(8.62)	(16.91)
Total	(27.31)	(15.24)

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:

Rs. in crore

	As at March 31, 2025	As at March 31, 2024
Profit before tax	3,147.27	2,355.47
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	792.10	592.82
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax		
a) Dividend Income	(3.89)	(0.73)
Effect of expenses / provisions not deductible in determining taxable profit		
a) Penalty (case settlement, MSME interest, other penalties)	0.06	0.08
b) Donation and CSR	14.51	6.36
c) Any other item	9.45	3.98
Effect of tax incentives and concessions (research and development and other allowances)		
a) Any Other Item	(7.09)	(5.03)
Adjustments recognised in the current year in relation to the current tax of prior years -	(2.91)	(1.63)
Reported income tax expense	802.23	595.85
Effective tax rate	25.49%	25.30%

During the year, the Company has opted to avail the benefits under the Vivad se Vishwas (VSV) Scheme 2024, introduced by the Government of India as a one-time dispute resolution initiative aimed at reducing pending tax litigation. The scheme allows taxpayers to settle disputed tax liabilities by paying the agreed amount without incurring interest or penalties, thereby promoting ease of compliance and efficient tax administration.

The Company has elected to settle various ongoing tax disputes covering AY 2003-04, AY 2004-05, AY 2005-06, AY 2008-09, AY 2012-13 under the VSV Scheme, for a cumulative period of five years. As a result, a total tax provision of Rs 7.43 crores has been recognized in the financial statements for the year, representing the full and final settlement of the related tax demands for these years.

This decision is aligned with the Company's strategic objective of de-risking its operations from prolonged tax litigations and achieving greater certainty in tax positions. The management believes that opting for the scheme will result in substantial savings in terms of time, cost, and resources otherwise associated with tax-related legal proceedings. Further, it is expected to contribute positively to the overall financial health and governance framework of the Company.

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Notes forming part of the Standalone Financial Statements ***(Continued)***
as at March 31, 2025

Rs. in crore

11 (a) Property, plant and equipments

Rs. in crore

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold Improvement	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises) - (b)	Total (a + b)
GROSS CARRYING AMOUNT												
Balance as at April 1 2023	0.81	1.09	125.63	89.73	78.02	109.13	323.83	-	0.19	728.43	458.68	1,187.11
Additions during the year	-	-	36.23	8.20	11.79	34.56	204.53	9.94	-	305.25	86.81	392.06
Disposals / deductions during the year	-	-	21.73	7.00	7.27	28.37	67.83	-	0.05	132.25	37.87	170.12
Balance as at March 31, 2024	0.81	1.09	140.13	90.93	82.54	115.32	460.53	9.94	0.14	901.43	507.62	1,409.05
Balance as at April 1, 2024	0.81	1.09	140.13	90.93	82.54	115.32	460.53	9.94	0.14	901.43	507.62	1,409.05
Additions during the year	-	-	20.29	8.00	6.74	32.20	199.97	5.02	-	272.22	98.60	370.82
Disposals / deductions during the year##	0.81	-	7.16	3.37	4.21	34.34	88.01	-	0.14	138.04	74.59	212.63
Balance as at March 31, 2025	-	1.09	153.26	95.57	85.07	113.19	572.49	14.96	-	1,035.62	531.63	1,567.25
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
Balance as at April 1 2023	-	0.35	81.62	72.83	60.75	61.26	86.76	-	0.13	363.70	142.21	505.91
Additions during the year	-	0.01	29.09	5.76	7.96	20.67	75.16	0.67	-	139.32	79.19	218.51
Disposals / deductions during the year	-	-	21.66	6.63	7.19	22.16	30.93	-	0.04	88.61	37.87	126.48
Balance as at March 31, 2024	-	0.36	89.05	71.96	61.52	59.77	130.99	0.67	0.09	414.41	183.53	597.94
Balance as at April 1, 2024	-	0.36	89.05	71.96	61.52	59.77	130.99	0.67	0.09	414.41	183.53	597.94
Additions during the year	-	0.02	30.19	5.48	7.67	23.02	86.63	1.62	-	154.62	82.15	236.77
Disposals / deductions during the year	-	-	7.11	3.21	4.13	24.42	38.69	-	0.09	77.65	66.20	143.85
Balance as at March 31, 2025	-	0.38	112.13	74.23	65.06	58.37	178.93	2.29	-	491.38	199.48	690.86
NET CARRYING AMOUNT												
As at March 31, 2024	0.81	0.73	51.08	18.98	21.01	55.56	329.54	9.27	0.05	487.02	324.09	811.11
As at March 31, 2025	-	0.71	41.12	21.34	20.01	54.82	393.57	12.67	-	544.24	332.15	876.38

\# Secured Non-Convertible Debentures(NCDs) have pari passu charge on building situated at Chhatrapati Sambhaji Nagar erstwhile "Aurangabad" having carrying value of Rs. 0.03 crore as on March 31, 2025 (March 31, 2024: Rs. 0.03 crore)

\## During the year the Company has sold freehold land property.

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).

11 (b) Capital Work in Progress

As at March 31, 2025 — Rs. in crore

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	0.52	-	-	-	0.52
Total	0.52	-	-	-	0.52

As at March 31, 2024 — Rs. in crore

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	0.15	-	-	-	0.15
Total	0.15	-	-	-	0.15

Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

12 (a) Intangible assets under development

As at March 31, 2025 — Rs. in crore

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	65.10	-	-	-	65.10
Project temporarily suspended	-	-	-	-	-
Total	**65.10**	-	-	-	**65.10**

As at March 31, 2024 — Rs. in crore

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.10	-	-	-	105.10
Project temporarily suspended	-	-	-	-	-
Total	**105.10**	-	-	-	**105.10**

12 (b) Other Intangible assets

Rs. in crore

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at April 1 2023	119.77
Additions during the year	10.46
Deductions during the year	-
Balance as at March 31, 2024	130.23
Balance as at April 1, 2024	130.23
Additions during the year	194.93
Deductions during the year	-
Balance as at March 31, 2025	325.16
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at April 1 2023	105.42
Additions during the year	10.20
Deductions during the year	-
Balance as at March 31, 2024	115.62
Balance as at April 1, 2024	115.62
Additions during the year	36.65
Deductions during the year	-
Balance as at March 31, 2025	152.27
NET CARRYING AMOUNT	
As at March 31, 2024	14.61
As at March 31, 2025	172.89

The Company has not revalued its Intangible Assets.

Rs. in crore

13 Other non-financial assets

Rs. in crore

	March 31, 2025	March 31, 2024
Capital advances	81.67	84.08
Prepaid expenses	89.90	67.13
Balances with Government Authorities	485.80	377.99
Unamortized placement and arrangement fees paid on borrowing instruments	-	0.11
Insurance advances	27.10	13.07
Other advances	24.28	18.37
	708.75	560.75

14 Derivative financial instruments

Rs. in crore

	March 31, 2025		March 31, 2024	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives unhedged: (refer note 54 (III))				
Currency swaps	241.06	47.05	709.00	154.30
Total (A)	241.06	47.05	709.00	154.30
Currency / interest rate derivatives hedged : (refer note 54 (III))				
Forward contracts	4,303.13	262.76	835.52	177.40
Currency swaps	1,541.16	80.24	827.70	3.57
Total (B)	5,844.29	343.00	1,663.22	180.97
Total derivative financial instruments (A+B)	6,085.35	390.05	2,372.22	335.27

Movement in Cash Flow Hedge Reserve

	March 31, 2025	March 31, 2024
Balance at the beginning of the year	(7.28)	(4.74)
Recognised on Cash Flow Hedge Reserve	(62.23)	(3.39)
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	15.65	0.85
	(53.86)	(7.28)

15 Payables

Rs. in crore

	March 31, 2025	March 31, 2024
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	1,208.56	1,459.47
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	2.71	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.62	62.62
	1,228.89	1,524.89

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 :

Rs. in crore

	March 31, 2025	March 31, 2024
a) Dues remaining unpaid to any supplier at the year end		
- Principal	2.71	2.80
- 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	-	-
	2.71	2.80

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Rs. in crore

Trade Payables aging schedule

As at March 31, 2025 Rs. in crore

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	2.71	-	-	-	2.71
ii) Others	1,179.69	25.22	10.41	10.86	1,226.18
Total	**1,182.40**	**25.22**	**10.41**	**10.86**	**1,228.89**
Disputed dues –					
– MSME	-	-	-	-	-
– Others	-	-	-	0.00	0.00

There is neither an instance where due date is not specified nor there is any unbilled due.

As at March 31, 2024 Rs. in crore

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	2.80	-	-	-	2.80
ii) Others	1,476.64	23.03	7.57	14.85	1,522.09
Total	**1,479.44**	**23.03**	**7.57**	**14.85**	**1,524.89**
Disputed dues –					
– MSME	-	-	-	-	-
– Others	-	-	-	-	-

There is neither an instance where due date is not specified nor there is any unbilled due.

16 Debt Securities

Rs. in crore

	March 31, 2025	March 31, 2024
At Amortized cost		
Non-convertible debentures (Secured)	22,974.56	21,738.39
Non-convertible debentures (Unsecured)	1,076.79	1,076.52
Commercial Papers (Unsecured)	2,153.48	4,882.12
Total	**26,204.83**	**27,697.03**
Debt securities in India	26,204.83	27,697.03
Debt securities outside India	-	-
Total	**26,204.83**	**27,697.03**

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 Rs. 24,995.84 crore (March 2024: Rs. 23,571.34 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD MUMBAI

Rs. in crore

16 **Debt Securities *(Continued)***
Details of Non-convertible debentures (Secured) :

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
A) Issued on private placement basis (wholesale) -				
Repayable on maturity :				
Maturing within 1 year	6.25%-9.00%	6,283.50	7.45%-8.95%	4,529.50
Maturing between 1 year to 3 years	7.90%-8.25%	6,724.23	6.25%-9.00%	9,523.50
Maturing between 3 years to 5 years	7.75%-8.48%	5,102.50	7.90%-8.25%	754.35
Maturing beyond 5 years	7.45%-8.00%	2,900.50	7.45%-8.48%	4,978.00
Sub-total at face value		21,010.73		19,785.35
Repayable in Half yearly instalments :				
Maturing within 1 year	6.35%	112.50	6.35%	56.25
Maturing between 1 year to 3 years	6.35%	56.25	6.35%	168.75
Sub-total at face value		168.75		225.00
Total at face value (A)		21,179.48		20,010.35
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing between 1 year to 3 years	9.20%-9.30%	869.15	9.20%-9.30%	869.15
Sub-total at face value (B)		869.15		869.15
Total at face value (A+B)		22,048.63		20,879.50
Less: Unamortized discounting charges		21.78		31.10
Add: Interest accrued but not due		947.72		889.98
Total amortized cost		22,974.56		21,738.39

Details of Non-convertible debentures (Unsecured) :

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
Repayable on maturity :				
Maturing beyond 5 years	8.53%	1,000.00	8.53%	1,000.00
Total at face value		1,000.00		1,000.00
Less: Unamortized discounting charges		4.30		4.59
Add: Interest accrued but not due		81.09		81.11
Total amortized cost		1,076.79		1,076.52

Details of Commercial Papers (Unsecured):

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
Repayable on maturity :				
Maturing within 1 year	7.75%-8.00%	2,175.00	7.69%-8.30%	4,975.00
Total at face value		2,175.00		4,975.00
Less: Unamortized discounting charges		21.52		92.88
Total amortized cost		2,153.48		4,882.12

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17 Borrowings (Other than Debt Securities)

Rs. in crore

	March 31, 2025	March 31, 2024
At Amortized cost		
a) Term loans		
i) Secured -		
- from banks	52,998.12	44,788.39
- External Commercial Borrowings	7,022.09	2,156.61
- Associated liabilities in respect of securitization transactions	8,684.41	5,597.66
- Triparty repo dealing and settlement (TREPs) against Government securities	999.82	1,534.71
ii) Unsecured -		
- WCDL from banks	-	2.47
- from other parties	-	150.82
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	21.64	63.96
c) Other loans and advances		
Unsecured -		
- Inter-corporate deposits (ICDs) other than related parties	8.84	172.60
Total	69,734.92	54,467.22
Borrowings in India	62,712.83	52,310.61
Borrowings outside India	7,022.09	2,156.61
Total	69,734.92	54,467.22

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 Rs 62,770.62 crore (March 2024: Rs 51,919.57 crore).

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

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Rs. in crore

17 Borrowings (Other than Debt Securities) *(Continued)*

Details of term loans from banks (Secured)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
1) Repayable on maturity :				
Maturing within 1 year	7.60%-9.20%	1,601.00	6.75%-8.95%	2,636.00
Maturing between 1 year to 3 years	7.70%	400.00	7.70%-8.30%	480.00
Total for repayable on maturity		2,001.00		3,116.00
2) Repayable in instalments :				
i) Monthly -				
Maturing between 1 year to 3 years		-		-
Sub-Total		-		-
i) Quarterly -				
Maturing within 1 year	5.70%-8.95%	11,894.49	5.15%-8.70%	7,687.85
Maturing between 1 year to 3 years	5.75%-8.55%	19,015.52	5.70%-8.70%	13,757.19
Maturing between 3 years to 5 years	6.40%-8.55%	4,491.13	5.75%-8.35%	4,880.88
Sub-Total		35,401.14		26,325.92
ii) Half yearly -				
Maturing within 1 year	6.72%-9.05%	2,971.98	6.25%-8.80%	3,504.30
Maturing between 1 year to 3 years	7.75%-9.05%	4,951.18	6.97%-8.80%	5,443.01
Maturing between 3 years to 5 years	7.79%-8.60%	1,406.78	7.80%-8.80%	2,535.81
Maturing beyond 5 years	7.90%	50.00	8.15%	111.12
Sub-Total		9,379.94		11,594.24
iii) Yearly -				
Maturing within 1 year	7.19%-9.00%	2,154.17	7.59%-9.00%	1,585.00
Maturing between 1 year to 3 years	8.30%-9.00%	3,717.50	7.59%-9.00%	2,666.67
Maturing between 3 years to 5 years	8.55%	250.00	8.50%-9.00%	955.00
Sub-Total		6,121.67		5,206.67
Total for repayable in instalments		50,902.75		43,126.83
Total (1+2) (As per contractual terms)		52,903.75		46,242.83
Less: Unamortized Finance Cost		(0.25)		(0.47)
Add: Interest accrued but not due		94.62		80.74
Total Amortized Cost		52,998.12		46,323.10

The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate), RBI Policy Repo Rate, Mibor, 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

- **Year ended March 31, 2025**

Rs. in crore

	Quarter ended			
	June 2024	September 2024	December 2024	March 2025
Value as per quarterly returns / statements filed with Banks	1,243.07	1,320.09	2,974.17	2,805.17
Difference in Overdue balance due to credits not considered in returns	0.14	6.69	30.75	10.78
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	4.18	3.56	4.42	5.97
Value as per Ind AS books of account	1,247.39	1,330.34	3,009.34	2,821.92

- **Year ended March 31, 2024**

Rs. in crore

	Quarter ended			
	June 2023	September 2023	December 2023	March 2024
Value as per quarterly returns / statements filed with Banks	2,567.53	2,556.60	2,556.49	2,557.03
Difference in Overdue balance due to credits not considered in returns	34.14	25.59	18.41	62.93
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	9.82	5.46	7.89	7.45
Value as per Ind AS books of account	2,611.49	2,587.66	2,582.79	2,627.41

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements ***(Continued)***
as at March 31, 2025

Rs. in crore

17 Borrowings (Other than Debt Securities) ***(Continued)***

Details of External Commercial Borrowings (USD & JPY)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
Maturing within 1 year	6.61%-8.11%	1,793.49	6.61%	363.59
Maturing between 1 year to 3 years	7.68%-8.22%	5,134.88	6.61%-8.11%	1,743.99
		6,928.38		2,107.58
Less: Unamortized Finance Cost		(27.60)		5.53
Add: Interest accrued but not due		121.31		54.56
		7,022.09		2,156.61

Details of associated liabilities related to Securitization transactions

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	4.76%-8.00%	3,454.15	3.70%-7.55%	2,538.53
Maturing between 1 year to 3 years	4.76%-8.00%	4,518.97	3.70%-7.55%	2,643.24
Maturing between 3 years to 5 years	6.20%-8.00%	680.90	4.76%-7.55%	410.67
Maturing beyond 5 years	6.20%-7.45%	18.79	-	-
		8,672.80		5,592.45
Add: Interest accrued but not due		11.61		5.21
		8,684.41		5,597.66

Details of Triparty repo dealing and settlement (TREPs) against Government securities

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	6.30%-6.65%	1,000.00		-
		1,000.00		-
Add: Interest accrued but not due		(0.18)		-
		999.82		-

Details of Unsecured term loans from banks

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
Repayable on maturity :				
Maturing within 1 year		-	9.25%	2.47
		-		2.47
Less: Unamortized Finance Cost		-		-
Add: Interest accrued but not due		-		-
		-		2.47

Details of Unsecured term loans from others

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
Repayable on maturity :				
Maturing within 1 year		-	8.20%	75.00
Maturing between 1 year to 3 years		-	8.20%	75.00
		-		150.00
Add: Interest accrued but not due		-		0.82
		-		150.82

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
Inter-corporate deposits (ICDs) (Related Parties)	Interest rate range	Amount	Interest rate	Amount
Repayable on maturity :				
Maturing within 1 year	6.25%	18.50	6.25%-7.80%	41.00
Maturing between 1 year to 3 years		-	6.25%	18.50
		18.50		59.50
Add: Interest accrued but not due		3.14		4.46
		21.64		63.96
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	7.75%	8.50	7.50%-8.00%	170.00
		8.50		170.00
Add: Interest accrued but not due		0.34		2.60
		8.84		172.60

Rs in crore

18 Deposits

Rs. in crore

	March 31, 2025	March 31, 2024
At amortized cost		
Deposits (Unsecured)		
- Public deposits *	6,947.62	6,109.41
- Accepted from corporates	4,456.53	1,434.77
Total	11,404.15	7,544.18

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. there was no delay in transferring any amount to the Investor Education and Protection Fund by the Company.

Details of Deposits (Unsecured) - Public deposits

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
Repayable on maturity :				
Maturing within 1 year	5.75% - 8.45%	3,993.64	5.65% - 9.15%	2,660.39
Maturing between 1 year to 3 years	5.90% - 8.45%	5,904.55	5.75% - 8.45%	3,588.40
Maturing beyond 3 years	7.25% - 8.45%	1,028.25	5.09% - 8.4%	948.41
Total at face value		10,926.45		7,197.20
Less: Unamortized discounting charges		33.20		22.46
Add: Interest accrued but not due		510.90		369.44
Total amortized cost		11,404.15		7,544.18

19 Subordinated liabilities

Rs. in crore

	March 31, 2025	March 31, 2024
At Amortized cost (Unsecured)		
Subordinated redeemable non-convertible debentures - private placement	2,967.30	1,652.29
Subordinated redeemable non-convertible debentures - retail public issue	2,562.27	2,617.86
Total	5,529.57	4,270.15
Subordinated liabilities in India	5,529.57	4,270.15
Subordinated liabilities outside India	-	-
Total	5,529.57	4,270.15

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Rs in crore

19 Subordinated liabilities *(Continued)*

Details of Subordinated liabilities (at Amortized cost) - Unsecured subordinated redeemable non-convertible debentures

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate	Amount
A) Issued on private placement basis -				
Repayable on maturity :				
Maturing within 1 year	8.90%-9.10%	175.00	9.18%-9.60%	215.00
Maturing between 1 year to 3 years		-	8.90%-9.10%	175.00
Maturing beyond 5 years	7.35%-8.35%	2,712.90	7.35%-8.35%	1,212.90
Sub-total at face value (A)		2,887.90		1,602.90
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year		-	7.75%-7.85%	59.32
Maturing between 1 year to 3 years	7.90%-9.00%	1,380.25	8.53%-9.00%	933.01
Maturing between 3 years to 5 years	9.35%-9.50%	336.87	7.90%-9.50%	784.12
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-8.05%	643.96
Sub-total at face value (B)		2,361.09		2,420.41
Total at face value (A+B)		5,248.99		4,023.31
Less: Unamortized discounting charges		19.29		17.65
Add: Interest accrued but not due		299.87		264.49
Total amortized cost		5,529.57		4,270.15

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 18 for the specific purpose for which these were availed.
In respect of all the borrowings, there is no default in payment of either principal or interest.

The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

20 Other financial liabilities

Rs. in crore

	March 31, 2025	March 31, 2024
Unclaimed dividends #	0.66	0.57
Unclaimed matured deposits and interest accrued thereon #	3.82	4.37
Deposits / advances received against loan agreements	45.39	35.51
Insurance premium payable	19.81	3.42
Salary, Bonus and performance payable	6.34	8.80
Provision for expenses	258.29	210.08
Lease liabilities (refer note 40)	383.19	367.92
Amount payable under assignment of receivables	0.67	-
Others	72.43	57.25
Total	790.60	687.92

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.

21 Provisions

Rs. in crore

	March 31, 2025	March 31, 2024
Provision for employee benefits		
- Gratuity (refer note 35)	27.39	8.70
- Leave encashment	81.58	84.38
- Bonus, incentives and performance pay	102.29	112.03
- Post retirement medical benefit	5.09	-
Provision for loan commitment	0.69	0.02
Total	217.04	205.13

22 Other non-financial liabilities

Rs. in crore

	March 31, 2025	March 31, 2024
Deferred subvention income	6.28	14.37
Statutory dues and taxes payable	154.34	125.76
Others *	5.55	10.54
Total	166.17	150.67

* 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.

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Notes forming part of the Standalone Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

23 Equity Share capital

Rs. in crore

	March 31, 2025	March 31, 2024
Authorized:		
2,50,00,00,000 (March 31, 2024: 2,50,00,00,000) Equity shares of Rs.2/- each	500.00	500.00
50,00,000 (March 31, 2024: 50,00,000) Redeemable preference shares of Rs.100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
1,23,55,29,920 (March 31, 2024: 1,23,55,29,920) Equity shares of Rs.2/- each fully paid up	247.11	247.11
Less : 6,68,537 (March 31, 2024: 11,43,808) Equity shares of Rs.2/- each fully paid up issued to ESOP Trust under Company's ESOP Schemes but not yet allotted to employees pending exercise of stock options by employees	0.13	0.23
Adjusted Issued, Subscribed and paid-up Share capital	246.98	246.88

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Rs. in crore	No. of shares	Rs. 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
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 ESOP Trust but not yet allotted to employees	6,68,537	0.13	11,43,808	0.23
Adjusted Issued, Subscribed and paid-up Share capital	1,23,48,61,383	246.98	1,23,43,86,112	246.88
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 Rs.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.

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Rs. in crore

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 utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

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 utilized 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 utilized 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 utilized 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.

Elements of Other Equity with balance:

Rs. in crore

Particulars	**Nature and purpose**	**March 31, 2025**	**March 31, 2024**
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 utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.	**3,352.35**	2,883.35
Capital redemption reserve	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 utilized 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.	**50.00**	50.00
Securities premium	Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.	**7,195.09**	7,185.65
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 utilized only in accordance with the specific requirements of the Companies Act, 2013.	**798.61**	798.20
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.	**9.18**	12.24
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.	**8,128.10**	7,037.93
Other comprehensive income			
- Debt instruments through OCI	The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	**1.26**	(70.94)
- Equity instruments through OCI	The Company has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	**84.51**	21.46
- Effective portion of cash flow hedges	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	**(53.85)**	(7.28)
Total		**19,565.25**	17,910.61

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Rs. in crore

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

Rs. in crore

	March 31, 2025	March 31, 2024
Dividend paid	778.38	741.32
Profit for the relevant year	1,759.62	1,984.32
Dividend as a percentage of profit for the relevant year	44.2%	37.4%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

Rs. in crore

	March 31, 2025	March 31, 2024
Face value per share (Rupees)	2.00	2.00
Dividend percentage	325%	315%
Dividend per share (Rupees)	6.50	6.30
Total Dividend on Equity shares (a)	803.09	778.38
Profit after tax for the relevant year (b)	2,345.04	1,759.62
Dividend proposed as a percentage of profit after tax (a/b)	34.2%	44.2%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

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Rs. in crore

24 Interest income

Rs. in crore

	March 31, 2025	March 31, 2024
On financial instruments measured at Amortized cost (refer note 2.6)		
Interest on loans	**14,255.57**	12,150.12
Interest on Finance lease	**124.31**	72.76
Income from bill discounting	**120.62**	106.07
Interest income from investments	**224.79**	203.87
Interest on term deposits with banks	**318.80**	266.11
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	**287.32**	309.83
Total	**15,331.41**	13,108.76

Note: There is no loan asset measured at FVTPL.

25 Fees, charges and commission income

Rs. in crore

	March 31, 2025	March 31, 2024
Service charges and other fees income	**280.08**	155.75
Income from commission services - life insurance	**149.94**	-
Income from commission services - general insurance	**61.31**	-
Fees, commission / brokerage received from mutual fund distribution/other products	**6.77**	7.17
Collection fees related to transferred assets under securitization transactions	**12.49**	11.75
Total	**510.59**	174.67

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss. Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Type of services or service		
Fees and commission income	510.59	174.67
Total revenue from contract with customers	**510.59**	**174.67**
Geographical markets		
India	510.59	174.67
Outside India	-	
Total revenue from contract with customers	**510.59**	**174.67**
Timing of revenue recognition		
Services transferred at a point in time	510.59	174.67
Services transferred over time	-	-
Total revenue from contract with customers	**510.59**	**174.67**

Contract balances

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Fees, commission and other receivables	53.02	24.74
	53.02	**24.74**

-Impairment loss allowance recognised on contract balances is Rs. Nil (Previous year Rs. Nil)
-Contract asset as on March 31, 2025 is Nil (Previous year Nil)

26 Net gain / (loss) on fair value changes

Rs. in crore

	March 31, 2025	March 31, 2024
Net gain / (loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	**(0.42)**	2.39
Others - Mutual fund units	**6.56**	2.86
Total Net gain / (loss) on financial instruments at FVTPL	**6.14**	5.25
Fair value changes :		
- Realized	**1.31**	-
- Unrealized	**4.83**	5.25
Total Net gain / (loss) on financial instruments at FVTPL	**6.14**	5.25

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

27 Other income

Rs. in crore

	March 31, 2025	March 31, 2024
Net gain on derecognition of property, plant and equipment	4.10	6.65
Net gain on sale investments measured at amortized cost	-	1.95
Income from shared services	45.04	146.17
Others	6.60	0.62
Total	55.74	155.39

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Rs. in crore

28 Finance costs

Rs. in crore

	March 31, 2025	March 31, 2024
On financial liabilities measured at Amortized cost		
Interest on deposits	728.83	473.41
Interest on borrowings	4,484.08	3,399.09
Interest on debt securities	2,362.83	2,191.45
Interest on subordinated liabilities	372.01	295.79
Net loss / (gain) in fair value of derivative financial instruments	(107.25)	9.47
Interest expense on lease liabilities (refer note 40)	31.04	26.35
Others	26.76	31.38
Total	7,898.30	6,426.94

Note: There are no financial liabilities measured at FVTPL.

29 Impairment on financial instruments

Rs. in crore

	March 31, 2025	March 31, 2024
On financial instruments measured at Amortized cost		
Bad debts and write offs	1,558.91	1,714.88
Loans	57.65	114.49
Investments	-	(0.98)
Loan commitment	0.67	(0.41)
Trade receivables and other contracts	0.63	(5.19)
Total	1,617.86	1,822.79

Note: There are no financial instruments measured at FVOCI

30 Employee benefits expenses

Rs. in crore

	March 31, 2025	March 31, 2024
Salaries and wages	1,756.36	1,588.35
Contribution to provident funds and other funds	110.86	87.51
Share based payments to employees	7.25	4.49
Staff welfare expenses	28.66	32.28
Total	1,903.13	1,712.63

31 Depreciation, amortization and impairment

Rs. in crore

	March 31, 2025	March 31, 2024
Depreciation on Property, Plant and Equipment (refer note 11)	154.62	139.32
Amortization and impairment of intangible assets (refer note 12)	36.65	10.20
Depreciation on Right of Use Asset (refer note 11 and 40)	82.15	79.19
Total	273.42	228.71

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Rs. in crore

32 Other expenses

Rs. in crore

	March 31, 2025	March 31, 2024
Rent	12.61	12.78
Rates and taxes, excluding taxes on income	8.32	9.76
Electricity charges	18.18	18.17
Repairs and maintenance	11.01	12.06
Communication costs	48.07	51.82
Printing and stationery	12.80	12.99
Advertisement and publicity	26.61	40.22
Directors' fees, allowances and expenses	4.22	3.81
Auditor's fees and expenses -		
- Audit fees (including quarterly limited reviews)	1.66	1.48
- Other services	0.54	0.46
- Reimbursement of expenses	0.07	0.01
Legal and professional charges	154.57	149.21
Insurance	58.99	52.30
Manpower outsourcing cost	193.66	122.03
Donations	23.04	0.18
Corporate Social Responsibility (CSR) expenses (refer note 45)	34.61	29.98
Conveyance and travel expenses	147.84	150.65
Other expenses	380.07	238.07
Total	1,136.87	905.98

33 Earning Per Share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Rs. in crore

	March 31, 2025	March 31, 2024
Profit for the year (Rs in crore)	2,345.04	1,759.62
Weighted average number of Equity Shares used in computing basic EPS	1,23,46,29,576	1,23,39,32,506
Effect of potential dilutive Equity Shares	4,16,316	6,47,658
Weighted average number of Equity Shares used in computing diluted EPS	1,23,50,45,892	1,23,45,80,164
Basic Earnings per share (Rs.) (Face value of Rs. 2/- per share)	18.99	14.26
Diluted Earnings per share (Rs.)	18.99	14.25

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34 Employee Stock Option Plan (ESOP)

The Company had allotted 48,45,025 Equity shares (face value of Rs.2/- each) (adjusted for stock-split in the ratio of 5:1 in February 2013) under Employee Stock Option Scheme 2010 at par on February 3, 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 employees and allots equity shares to eligible employees on exercise of stock options as per the terms and conditions of ESOP scheme granted 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 Rs.50 per Equity Share (including a premium of Rs. 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 August 17, 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at Rs.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 have remained 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 70,25,425 equity shares to employees up to March 31, 2025 (March 31, 2024: 65,50,154 equity shares), of which 4,75,271 equity shares (March 31, 2024: 7,87,641 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by Rs 0.10 crore for the year ended March 31, 2025 (March 31, 2024 : Rs 0.16 crore).

a) The terms and conditions of the Employees Stock Option Plans

i) Employees Stock Option Scheme 2010

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

ii) MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED – RESTRICTED STOCK UNITS PLAN 2023 ("MMFSL RSU PLAN 2023")

Newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited – Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, and the same was approved by the Board of Directors in their meeting held on April 28, 2023.

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs. The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control d) Profit growth e) Return on Assets (ROA) f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 or 5 equal tranches on expiry of 12, 24 and 36 months (i.e. 33.33% each) or on expiry of 12, 24,36,48, 60 months (i.e. 20% each), up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

After formulation of new scheme - MMFSL RSU PLAN 2023, no further stock options can be granted under the old scheme - Employees' Stock Option Scheme 2010. However, live options already vested can be exercised within the validity period as per the terms and conditions of the scheme.

Following are the stock option grants under this scheme which were live during the year with remaining validity period for exercise of vested options.

Particulars	Grant dated January 5, 2017	Grant dated January 24, 2018	Grant dated October 24, 2018
Exercise price (Rs.)	2.00	2.00	2.00
Fair value of option (Rs.)	337.36	495.92	355.34

ii) MMFSL RSU PLAN 2023

During the year ended March 31, 2025, the Company has granted 6,49,326 stock options (March 31, 2024 : 2,83,171) to eligible employees under the newly formulated employee stock option plan, namely, MMFSL RSU PLAN 2023, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on April 28, 2023

Following are the grants which are liver under MMFSL RSU PLAN 2023.

Particulars	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
Exercise price (Rs.)	2.00	2.00	2.00
Fair value of option (Rs.)	262.53	246.47	246.47

Rs. in crore

The key assumptions used in black-Scholes model for calculating fair value as on the date of grant are:

	Year ended March 31, 2025		Year ended March 31, 2024
	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
Variables#			
1) Risk free interest rate	6.64%	7.08%	7.29%
2) Expected life	4.50 years	5.50 years	4.51 years
3) Expected volatility	42.83%	44.27%	45.98%
4) Dividend yield	2.16%	2.15%	2.19%
5) Price of the underlying share in the market at the time of option grant (Rs.)	291.00	278.85	273.60

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) **i) Summary of stock options - Employee Stock Option Scheme 2010 :**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of stock options	Weighted average exercise price (Rs.) #	No. of stock options	Weighted average exercise price (Rs.) #
Options outstanding at the beginning of the year	6,12,763	26.97	14,34,983	26.91
Options granted during the year	-	-	-	-
Options expired/forfeited during the year	11,350	27.45	12,392	26.00
Options cancelled/lapsed during the year	-	-	22,187	35.33
Options exercised during the year	4,44,786	27.09	7,87,641	26.63
Options outstanding at the end of the year	1,56,627	26.58	6,12,763	26.97
Options vested but not exercised at the end of the year	1,56,627	26.58	6,12,763	26.97

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 Rs.2/- per option and adjustment options issued under Rights issue are exercisable at Rs.50/- each, including premium of Rs. 48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	2,83,171	2.00	-	-
Options granted during the year	6,49,326	2.00	2,83,171	2.00
Options expired/forfeited during the year	8,804	2.00	-	-
Options cancelled/lapsed during the year #	85,674	2.00	-	-
Options exercised during the year	30,485	2.00	-	-
Options outstanding at the end of the year	8,07,534	2.00	2,83,171	2.00
Options vested but not exercised at the end of the year	36,216	2.00	-	-

includes 9,194 options cancelled / lapsed on account of true-down effect applied on the specific tranche of the grant covering all the beneficiaries due to non-achievement of specified performance parameters at the Company level for the year ended 31 March 2024 as per the terms and conditions of the MMFSL RSU PLAN 2023.

True-down of options:

The vesting of options under each tranche of individual grants under MMFSL RSU PLAN 2023 is subject to achievement of specified performance parameters at the Company level and at the individual level for the relevant financial year as approved by the Nomination and Remuneration Committee (NRC) of the Board of Directors. If actual performance in a relevant financial year against the specified parameters is lower than the defined thresholds, the granted options under a particular tranche would vest in proportion to the level of actual performance (true-down effect) and that proportion of options attributable to lower performance would be cancelled / lapsed with corresponding write-back of compensation expense already recognized in the statement of profit and loss.

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Rs. in crore

34 Employee Stock Option Plan *(Continued)*

d) Information in respect of options outstanding :

Exercise price	As at March 31, 2025 No. of stock options	Weighted average remaining life	As at March 31, 2024 No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010 -				
- At Rs.2.00 per option	76,411	14 months	2,94,002	24 months
- At Rs.50.00 per option	80,216	14 months	3,18,761	23 months
MMFSL RSU PLAN 2023 -				
- At Rs.2.00 per option	8,07,534	79 months	2,83,171	80 months
	9,64,161		8,95,934	

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended March 31, 2025 Date of exercise	Weighted average share price (Rs.)	Year ended March 31, 2024 Date of exercise	Weighted average share price (Rs.)
April 01 2024 to March 31, 2025	286.73	April 01 2023 to March 31, 2024	275.35

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, Rs.7.25 crore (March 31, 2024: Rs.4.49 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 (net of recoveries of Rs. 0.21 crore) to the holding company of Rs.1.68 crore (March 31, 2024: Rs. 1.69 crore) in respect of options granted to employees of the Company and excludes net recovery of Rs.0.09 crore (March 31, 2024: Rs.0.01 crore) from its subsidiaries for options granted to their employees.

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Rs. in crore

35 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, HDFC life and Kotak life insurance 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:

Investment risk -

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. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments

Interest rate risk -

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 Rs. 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.

Salary Risk -

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability

Asset Liability Matching Risk -

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Concentration Risk -

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low.

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:

Rs. in crore

	Particulars	Funded Plan Gratuity Year ended March 31 2025	2024	Unfunded Plan Post retirement medical benefits Year ended March 31 2025	2024
I.	**Amounts recognized in the Statement of Profit & Loss**				
	Current service cost	17.14	15.55	-	-
	Net Interest cost	0.63	1.02		
	Past service cost	-	-	5.09	-
	Interest Income	-	(6.94)	-	-
	Adjustment due to change in opening balance of Plan assets	-	(8.57)	-	-
	Total expenses included in employee benefits expense	17.76	1.06	5.09	-
II.	**Amount recognized in Other Comprehensive income**				
	Remeasurement (gains)/losses:				
	a) Actuarial gains/(losses) arising from changes in -				
	- demographic assumptions	0.92	0.10		
	- financial assumptions	(3.60)	(2.57)	-	-
	- experience adjustments	(11.34)	4.23	-	-
	b) Return on plan assets, excluding amount included in net interest expense/(income)	4.04	(8.41)	-	-
	Total amount recognized in other comprehensive income	(9.99)	(6.64)	-	-

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

35 Employee benefits *(Continued)*

Details of defined benefit plans as per actuarial valuation are as follows: *(Continued)*

Rs. in crore

Particulars	Funded Plan Gratuity Year ended March 31 2025	2024	Unfunded Plan Post retirement medical benefits Year ended March 31 2025	2024
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	146.41	125.73	-	-
Current service cost	17.14	15.55	-	-
Past service cost	-	-	5.09	-
Interest expense	10.53	9.43	-	-
Remeasurement (gains)/losses arising from changes in -				
- demographic assumptions	(0.92)	(0.10)	-	-
- financial assumptions	3.60	2.57	-	-
- experience adjustments	11.34	(4.23)	-	-
Benefits paid	(32.02)	(2.54)	-	-
Closing defined benefit obligation	156.08	146.41	5.09	-
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	137.71	103.59	-	-
Interest income	9.90	15.35	-	-
Expected return on plan assets	4.04	(8.41)	-	-
Contributions by employer	9.05	21.15	-	-
Adjustment due to change in opening balance of Plan assets	-	8.57	-	-
Actual Benefits paid	(32.02)	(2.54)	-	-
Closing Fair value of plan assets	128.68	137.71	-	-
V. Net defined benefit obligation				
Defined benefit obligation	(156.08)	(146.40)	(5.09)	-
Fair value of plan assets	128.68	137.70	-	-
Surplus/(Deficit)	(27.39)	(8.70)	(5.09)	-
Current portion of the above	(27.39)	-	(0.05)	-
Non current portion of the above	-	(8.70)	(5.04)	-
VI. Expected contribution for the next reporting year	31.65	27.71	-	-

Actuarial assumptions and Sensitivity

Rs. in crore

	Funded Plan Gratuity March 31, 2025	March 31, 2024	Unfunded Plan Post retirement medical benefits March 31, 2025	March 31, 2024
I. Actuarial assumptions				
Discount Rate (p.a.)	6.54%	7.22%	6.82%	-
Attrition rate	31.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above	34.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	-
Expected rate of return on plan assets (p.a.)	6.54%	7.50%	NA	-
Rate of Salary increase (p.a.)	7.00%	7.00%	-	-
Medical cost inflation (p.a.)	-	-	7.00%	-
Retirement Age	60 years	60 years	60 years	-
In-service Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Urban	-
Payment Mortality	-	-	Indian Individual Annuitant's Mortality Table (2012-15)	-
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:				
One percentage point increase in discount rate	(5.46)	(9.95)	(0.66)	-
One percentage point decrease in discount rate	5.94	11.17	0.79	-
One percentage point increase in Salary growth rate	5.85	11.17	-	-
One percentage point decrease in Salary growth rate	(5.48)	(9.87)	-	-
One percentage point increase in attrition rate	(0.36)	-	(0.42)	-
One percentage point decrease in attrition rate	0.38	-	0.47	-
One percentage point increase in medical inflation rate	-	-	0.78	-
One percentage point decrease in medical inflation rate	-	-	(0.66)	-
III. Maturity profile of defined benefit obligation				
Within 1 year	30.96	21.00	0.05	-
Between 1 and 5 years	84.48	118.33	0.40	-
Between 6 and 10 years	55.87	-	1.32	-
11 years and above	35.72	-	13.71	-

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Rs. in crore

35 Employee benefits ***(Continued)***

Details of defined benefit plans as per actuarial valuation are as follows: ***(Continued)***

The estimate of future salary increases, considered in actuarial valuation, considers inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The plan assets have been primarily invested in government securities and corporate bonds

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company's contribution to provident fund, superannuation fund and national pension scheme aggregating to Rs. 80.67 crore (March 31, 2024: Rs.78.39 crore) has been recognized in the Statement of profit and loss under the head Employee benefits expense.

Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	Year ended March 31 2025	2024
Rate of discounting	6.54%	7.22%
Expected rate of salary increase	7.00%	7.00%
Attrition rate	31.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ultimate
Expenses recognised in statement of profit and loss	10.45	9.57

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2025.
The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

Long Term Incentive Scheme

The Long-Term Incentive Plan is annually granted along with the performance cycle at the end of the financial year and determined on the individual performance rating criteria, awarded LTIP will vest equally in 3 years. This incentive scheme is launched in current financial year.

Actuarial assumptions and Sensitivity

Particulars	Year ended March 31 2025	2024
Retirement Age	60 Years	-
Discount Rate	6.54%	-
Attrition Rate	8.00%	-
Performance Measurement	99%	-

Reconciliation of the Liability recognised in the Balance Sheet:

Particulars	Year ended March 31 2025	2024
Opening Net Liability	-	-
Expense recognised in the P&L	1.39	-
Contribution/Benefit Paid by the Company	-	-
Amount recognised in the Balance Sheet under "Provision for Retirement Bene	1.39	-

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2025.
Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

36 Additional disclosures

i) During the financial years ended March 31, 2025 and March 31, 2024, 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 proceeding 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 March 31, 2025

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2025 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1	SHIRIDI SRISAI SOLUTIONS PVT LIMITED	Receivables	0.18	External
2	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.04	External
3	SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.05	External
4	BALAJI INFRASTRUCTURE T&D PRIVATE LIMITED	Receivables	0.76	External
5	VH SQUARE HEALTHCARE PVT LTD	Receivables	0.06	External
6	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.07	External
7	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
8	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	-	External
9	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	-	External
10	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	-	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	-	External

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Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	-	External
14	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	-	External
15	RETONA MOTORS PRIVATE LIMITED	Receivables	0.09	External
16	CHOWDHARY MOTORS PRIVATE LIMITED	Payables	0.05	External
17	APARNA AUTOMOBILES PRIVATE LIMITED	Payables	0.01	External
18	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Payables	-	External
19	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
20	VMS CONSULTANTS PVT. LTD.	Corporate Depositor	0.70	External
21	DREAMS BROKING PRIVATE LIMITED	Shares Held by Struck of Company	476*	External
22	UNICKON FINCAP PRIVATE LIMITED	Shares Held by Struck of Company	689*	External

* Number of Equity Shares

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Rs. in crore

36 Additional disclosures ***(continued)***

As at March 31, 2024

	Name of Struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2024 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ASVIJ LOGISTIC PRIVATE LIMITED	Receivables	0.00	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	-	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I)PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	-	External
10	MRA REFINO PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	-	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	-	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Receivables	0.00	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	-	External
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	0.00	External
24	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

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 March 31, 2025 are fully secured by pari-passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and book debts. Further, the Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Term Sheet/ Offer document/Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon.

The asset cover available as on March 31, 2025 in respect of listed secured debt securities is 1.08 (March 31, 2024: 1.08).

37 Analytical Ratios

Particulars	As at March 31, 2025 Numerator (Rs. in crores)	Denominator (Rs. In crores)	Ratio	As at March 31, 2024 Ratio	% Variance	Reasons for variance (if above 25%)
Total Capital ratio (CRAR)	21,437.51	1,16,967.79	18.33%	18.87%	-2.87%	NA
Tier - I capital ratio	17,835.12	1,16,967.79	15.25%	16.39%	-7.00%	NA
Tier - II capital ratio	3,602.40	1,16,967.79	3.08%	2.47%	24.49%	During the current year, the Company has raised Tier II capital of Rs 1,500 crores
Liquidity CoverageRatio	NA	NA	277%	311%	-10.82%	NA

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Rs. in crore

38 Transactions in the nature of change in ownership in group entities

During the previous year, the Company 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 September 22 2023 involving a pay-out of Rs.206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Company effective from September 22 2023.

39 Capital management

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.

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Rs. in crore

39 Capital management *(Continued)*

The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI.

Regulatory capital

Rs. in crore

	As at March 31, 2025	As at March 31, 2024
Tier - I capital	17,835.12	16,308.04
Tier - II capital	3,602.40	2,462.39
Total Capital	21,437.51	18,770.43
Aggregate of Risk Weighted Assets	1,16,967.79	99,531.86
Tier - I capital ratio	15.25%	16.39%
Tier - II capital ratio	3.08%	2.47%
Total Capital ratio	18.33%	18.86%

"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.

40 Leases

I) In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

40 Leases *(Continued)*

I) In the cases where assets are taken on operating lease (as lessee) - *(Continued)*

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

Rs. in crore

	As at March 31, 2025	As at March 31, 2024
Less than 1 year	101.56	86.64
1 - 3 years	169.31	151.97
3 - 5 years	116.99	116.52
More than 5 years	85.90	107.04
Total undiscounted lease liabilities	473.76	462.17

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Rs. in crore

40 Leases ***(Continued)***

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Rs. in crore

		Amount for the year ended / As at	
		March 31, 2025	March 31, 2024
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 31 "Depreciation, amortization and impairment")	82.15	79.19
ii)	Interest expense on lease liabilities (presented under note - 28 "Finance costs")	31.04	26.35
iii)	Expense relating to short-term leases (included in Rent expenses under note 32 "Other expenses")	3.56	2.50
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 32 "Other expenses")	9.05	10.28
v)	Payments for lease liability	102.41	94.85
vi)	Additions to right-of-use assets during the year (refer note 11)	98.60	86.81
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -		
	- Property taken on lease for office premises (presented under note - 11 "Property, plant and equipments")	332.15	324.09
viii)	Lease liabilities (presented under note - 20 "Other financial liabilities")	383.19	367.92

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 tenure and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

Below are the list of risk mitigation strategy adopted by the company for the underlying assets as per provisions of Ind AS 116
- All the leased assets are insured.
- Hypothecation of assets in the name of company.
- Asset confirmations is obtained from lessee's on quarterly basis.
- Security deposit obtained to reduce the exposure on a case to case basis based on Customer profile.
- Variable lease payments based on usage of vehicles.

40 Leases ***(Continued)***

II) In the cases where assets are given on operating lease (as lessor) - ***(Continued)***

Other details are as follows:

Rs. in crore

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	571.59	457.80
Depreciation for the year	86.62	75.03
Accumulated Depreciation	178.05	128.31
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Gross carrying amount	0.90	2.71
Depreciation for the year	0.01	0.12
Accumulated Depreciation	0.87	2.68

40 Leases ***(Continued)***

The total future minimum lease rentals receivable for the non-cancellable lease period as at the Balance sheet date is as under:

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
New vehicles to retail customers on operating lease -		
Not later than one year	124.58	140.89
Later than one year but not later than five years	225.38	279.08
Later than five years	0.01	-
	349.97	419.97

Since there is no contingent rent applicable in respect of these lease arrangements, the Company has not recognized any income as contingent income during the year.

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Rs. in crore

40 Leases *(Continued)*

III) In the cases where assets are given on finance lease (as lessor) -
Reconciliation of undiscounted lease payment to net investment :

Rs. in crore

Parti s	As at March 31, 2025	As at March 31, 2024
Gross Investment	1,090.81	722.92
Less : Unearned Income	165.11	121.60
Net Investment before charging allowance for Impairment loss	925.70	601.32
Less : Allowance for Impairment losses	7.52	4.02
Total Net Investment	918.18	597.30

Maturity analysis :

Rs. in crore

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Investment	405.85	684.90	0.06	1,090.81
Less : Unearned Income	83.79	81.32	-	165.11
Net investment before charging allowance for Impairment loss	322.06	603.58	0.06	925.70

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2025 or March 31, 2024.

The Company is engaged primarily in the business of financing in India. During the current fiscal, the Company has started the activities as Corporate Agent (Composite) for providing insurance solutions. 'Fees, charges and commission income' include fees / commission income from insurance agency business amounting to Rs. 211.25 crore for the year ended March 31, 2025.

42 Frauds reported during the year

There were 208 cases (March 31, 2024: 160 cases) of frauds amounting to Rs.6.33 crore (March 31, 2024: Rs.142.63 crore) reported during the year. Out of the fraud cases reported during the current year, the Company has recovered an amount of Rs.2.26 crore (March 31, 2024: Rs.5.34 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.

43 Contingent liabilities and commitments (to the extent not provided for)

Rs. in crore

	March 31, 2025	March 31, 2024
i) Contingent liabilities		
Demand against the Company not acknowledged as debts -		
- Income Tax matters where Company has gone in Appeal	38.13	42.82
- Goods & Service Tax matters where Company has gone in Appeal	0.89	0.89
- Service Tax matters where Company has gone in Appeal	93.66	90.30
- Value Added Tax matters where Company has gone in Appeal	44.70	44.70
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	5.47	4.89
Guarantees	868.56	1,451.69
	1,051.41	1,635.30
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	92.86	47.58
Other commitments - loan sanctioned but not disbursed	234.39	28.00
	327.25	75.58
Total	1,378.67	1,710.88

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, service tax, sales tax / VAT, Goods and Services Tax 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 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.

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Rs. in crore

44 Transfer of financial assets

a) Transferred financial assets that are not derecognized in their entirety - Securitization transactions

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 securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

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 securitization 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 Securitization 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 de-recognition, together with the associated liabilities:

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Securitizations -		
Carrying amount of transferred assets measured at amortized cost	8,541.39	5,561.43
Carrying amount of associated liabilities	8,672.79	5,592.45
Fair value of transferred assets (A)	8,400.38	5,397.94
Fair value of associated liabilities (B)	8,845.87	5,698.61
Net position (A-B)	(445.48)	(300.67)

b) Transferred financial assets that are not derecognized in their entirety - Assignment Deals

During the year ended March 31, 2025, the company had sold loans and advances measured at amortized cost as per assignment deals undertaken by the company. As per the terms of these deals, since substantial risk and reward related to these assets were transferred to the buyer, the assets have been derecognized from the company's balance sheet to the extent of share of assignee.

The management has evaluated the impact of assignment deals done during the year for its business model. Based on the future business plans, the company's business model remains to hold the assets for collecting contractual cash flows.

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 80% to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The following table provide a summary of the carrying amount of the derecognised financial assets:

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024*
Direct Assignment -		
Carrying amount of de-recognized financial assets measured at amortized cost	41.34	-
Carrying amount of exposures retained by the Company at amortised cost	10.33	-

*During the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

45 Corporate Social Responsibility (CSR)

As per Section 135 of the the Companies Act, 2013, the Company is required to spend 2% of its average Net Profit of the immediately three preceding financial years on CSR.

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

The 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 March 31, 2025, the Company has incurred an expenditure of Rs 34.10 crore (March 31, 2024: Rs. 24 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 Rs. 0.51 crore (March 31, 2024: Rs. 1.23 crore) towards the CSR activities undertaken by the Company.

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Rs. in crore

45 **Corporate Social Responsibility (CSR) *(Continued)***

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs.34.58 crore (March 31, 2024: Rs. 29.96 crore)

b) Amount approved by the Board to be spent during the year : Rs.34.58 crore (March 31, 2024: Rs. 29.96 crore).

c) Amount spent by the Company during the year on :

Rs. in crore

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-	-	-	-
ii) On purpose other than (i) above*	34.61	-	34.61	25.27	-	25.27

* The amount during previous year spend is including Rs.0.02 crores excess spent on other than related to an ongoing projects.

d) Amount of shortfall at the end of the year: NIL (for relating to an ongoing project)

In case of S. 135(5) unspent amount — Rs. in crore

Opening balance	Amount deposited in Specified Fund of Sch.VII within 6 months	Amount required to be spent during the year	Amount spent during the year*	Amount required to be transferred to unspent bank account related to ongoing project	Closing Balance
4.71	4.71	4.71	4.71	-	-

e) Nature of CSR activities: Contributions / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and CSR activities undertaken by the Company.

f) Provision made with respect to a liability already incurred by entering into a contractual obligation : Nil

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.

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.

48 **Reconciliation of movement of liabilities to cash flows arising from financing activities**

Year ended March 31, 2025

Rs. in crore

Particulars	April 1 2024	Cash flows (net)	Exchange difference	Others	March 31 2025
Debt securities	26,725.94	(1,564.11)	-	14.19	25,176.02
Borrowings (Other than debt securities)	54,318.83	15,134.02	43.39	7.67	69,503.91
Deposits	7,174.74	3,733.33	-	(14.82)	10,893.25
Subordinated liabilities	4,005.66	1,225.96	-	(1.92)	5,229.70
Lease liabilities	367.92	(102.41)	-	117.68	383.19
Total	**92,593.09**	**18,426.79**	**43.39**	**122.80**	**1,11,186.07**

Year ended March 31, 2024

Rs. in crore

Particulars	April 1 2023	Cash flows (net)	Exchange difference	Others	March 31 2024
Debt securities	24,745.07	1,966.42		14.45	26,725.94
Borrowings (Other than debt securities)	41,234.06	13,157.98	(76.49)	3.28	54,318.83
Deposits	5,524.60	1,655.37	-	(5.23)	7,174.74
Subordinated liabilities	3,442.13	559.85	-	3.68	4,005.66
Lease liabilities	349.61	(94.85)	-	113.16	367.92
Total	**75,295.47**	**17,244.77**	**(76.49)**	**129.34**	**92,593.09**

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Rs. in crore

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 minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

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 maximizing the return.

a) Pricing Risk

The Company's Investments in Commercial Papers, Certificate of Deposits with Banks and Mutual Funds are exposed to pricing risk. A 5 percent increase in market price would increase profit before tax by approximately Rs 150.11 crore (March 31, 2024 : Rs 88.90 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 :

Rs. in crore

	JPY	US Dollar	Total
As at March 31, 2025			
Financial Assets	-	-	-
Financial Liabilities	936.53	5964.24	6,900.77
As at March 31, 2024			
Financial Assets	-	-	-
Financial Liabilities	1,270.88	831.17	2,102.05

Hedge Accounting - Forwards & Swaps

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of Ind AS 109 -Financial Instruments. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. Hedge effectiveness for all hedges are 100%.

Details of foreign currency forward contracts and swaps outstanding at the end of reporting period

Rs. in crore

Outstanding Contracts	2025		2024	
	Notional Value (#)	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	Notional Value (#)	Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)
Cash Flow Hedges				
Buy Currency				
Maturing in 1+ years				
JPY/INR	-	-	831.13	(176.47)
USD/INR	5,141.00	(90.32)	-	-
Maturing less than year				
JPY/INR	831.13	(221.16)	4.39	(0.93)
USD/INR	827.70	17.08	827.70	(3.57)

There are no significant transactions of hedges which are ineffective.

Notional value of respective currency pair have been converted into presentation currency i.e. INR using year end closing exchange rate.

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Rs. in crore

The movements in cash flow hedge reserve for instruments designated in a cash flow hedge are as follows:

Rs. in crore

Particulars	2025 Exchange Rate Risk hedges	2025 Interest Rate Risk hedges	2025 Total	2024 Exchange Rate Risk hedges	2024 Interest Rate Risk hedges	2024 Total
Balance at the beginning of the year	(0.09)	(7.19)	(7.28)	5.30	(10.04)	(4.74)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction	-	-	-	-	-	-
Change in fair value of effective portion of cash flow hedges	4.71	(66.94)	(62.23)	(7.20)	3.81	(3.39)
Total	**4.62**	**(74.13)**	**(69.51)**	**(1.90)**	**(6.23)**	**(8.13)**
Deferred tax on the above	(1.19)	16.85	15.66	1.81	(0.96)	0.85
Balance at the end of the year	3.43	-57.28	-53.85	-0.09	-7.19	-7.28
Of the above:						
Balance relating to continuing hedges	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Rs. in crore

	Currency	Change in rate	Effect on OCI
Year ended March 31, 2025	**INR/JPY**	**(+/-) 10.00%**	**(+/-) 93.77**
	INR/USD	**(+/-) 10.00%**	**(+/-) 599.07**
Year ended March 31, 2024	INR/JPY	(+/-) 10.00%	(+/-) 127.38
	INR/USD	(+/-) 10.00%	(+/-) 83.37

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.

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.1 Market Risk *(Continued)*

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:
The carrying value of floating rate loans is **Rs. 3,169.05 crore** (March 31, 2024: Rs. 2,687.01 crore) and floating rate borrowings is **Rs. 43,245.87** crore (March 31, 2024: Rs. 40,686.46 crore).

Rs. in crore

	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended March 31, 2025	**INR**	**100**	**400.77**
Year ended March 31, 2024	INR	100	379.99

d) Off-setting of balances

The table below summarizes the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet :

Financial assets subject to offsetting

Rs. in crore

Particulars	Offsetting recognized on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognized in balance sheet
Loan assets			
At March 31, 2025	**1,16,311.91**	**(97.89)**	**1,16,214.02**
At March 31, 2024	99,292.33	(97.15)	99,195.18

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

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 all its portfolios under respective business verticals based on Days past due. The customer repayment and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

i) Credit Quality of Financial Assets

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	89,657.93	79,565.25
Past Due but not impaired:		
- 1-30 days past due	9,874.38	6,799.24
- 31-90 days past due	6,454.22	5,099.84
Impaired (more than 90 days)	4,340.48	3,440.93
Total Gross carrying value as at reporting date	1,10,327.01	94,905.26

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	5,810.25	3,533.97
Past Due but not impaired:		
- 1-30 days past due	218.18	1,194.40
- 31-90 days past due	55.05	40.94
Impaired (more than 90 days)	65.07	43.10
Total Gross carrying value as at reporting date	6,148.54	4,812.41

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Gross carrying value of Trade Advances		
Less than 60 days past due	3,186.76	2,853.29
61-90 days past due	2.32	18.94
Impaired (more than 90 days)	8.38	6.87
Total Gross carrying value as at reporting date	3,197.47	2,879.10

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,219.81	1,388.85
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	1,219.81	1,388.85

The Credit quality of the loans is monitored concurrently. Since the company is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact the company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

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Rs. in crore

49 **Financial Risk Management Framework *(Continued)***

49.2 **Credit Risk Management *(Continued)***

ii) ***Inputs considered in the ECL model***

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes 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 categorizes 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 ECL estimates are forward looking and include probability weighted outcomes. A macroeconomic overlay is applied to the observed default rate (ODR) considering portfolio specific macroeconomic factors that affect the Probability of Default (PD) due to underlying economic conditions of the country.
The Company has computed expected credit losses for Trade Advance Portfolio based on historical movement data, capturing transitions between stages and loss on historically written off unrecovered amounts from dealers.
For leasing portfolio comprising of Operating and Finance Lease, the company uses ECL coverage of Industry Peers in similar business line, considering limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

iii) **Definition of default**
The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes more than 90 days past due on its contractual payments.

Since the Company's portfolio predominantly includes retail vehicle loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the company has considered the event of default when overdue is more than 90 days past due. The same is also in line with the regulator's definition of default, when overdue is more than 90 days past due.

iv) ***Exposure at default***
"Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

v) ***Estimations and assumptions considered in the ECL model***
The Company has made the following assumptions in the ECL Model:
a) Loss Given Default (LGD):
- LGD represents expected losses on the EAD given the event of default, taking into account the time value of cash flows from the date of default, discounted on effective interest rate (EIR). It is an estimate of the loss from a transaction given that a default occurred.

Generally, common LGD is applied on the exposures in all the three stages.

While, the general approach / methodology remains the same, the measurement of ECL on retail vehicle loans is done on a slightly differentiated approach as mentioned here below.
- For Stage 3 assets with an ageing more than 18 months (540 DPD) (stressed portfolio), provision is calculated by applying LGD at higher rate. Higher LGD rate is determined based on the historical loss that has occurred during the tenor of individual assets forming part of specific portfolio of contracts with an ageing of more than 18 months (540 DPD) at the historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio and is considered as model provision for ECL calculation instead of separate classification as overlay provision;
- For Stage 3 assets with an ageing up to 18 months (540 DPD), provision is calculated by applying the Composite LGD rate#;
- For Stage 1 and Stage 2 assets, continue to derive and apply Composite LGD rate in calculation of loss allowances.

\# Composite LGD rate : It is an estimate of the loss from a transaction given that a default occurs. It is based on the historical loss on the portfolio that has occurred during the tenor of the individual assets forming part of the portfolio. For calculating LGD, the Company takes into consideration the Stage 2 assets that have reached 90+ DPD in the past and Stage 3 cases of historical period end date (i.e. 42 months from the reset /reporting date) based on the average life of the portfolio. Actual cash flows pertaining to this portfolio from the first default date to current reset/reporting date are then discounted at Loan EIR rate for arriving at this loss rate.

b) Probability of Default (PD):
- It is an estimate of likelihood of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is calculated.
- For Stage 2 assets , life time PD is calculated for which a PD term structure is built.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

(vi) ***Measurement of ECL***
The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level.

- Financial assets that are not credit impaired at the reporting date:
ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;

- Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:

ECL for Stage 2 : Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- Financial assets that are credit impaired at the reporting date:
ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.
For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows
- Stage 3 assets with ageing up to 18 months (<=540 DPD)
ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)
Required Carrying value-A =(EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR)
- Stage 3 assets with ageing more than 18 months (>540 DPD)
ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)
Required Carrying value-B =(EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR)

Undrawn loan commitments:
ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

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49 Financial Risk Management Framework ***(Continued)***

49.2 Credit Risk Management ***(Continued)***

ECL on Small and Medium Enterprise (SME) portfolio:

For loans provided under SME vertical, the general approach / methodology remains similar to the retail vehicle loans.
The Business Enterprise and Retail Enterprise Portfolio has been further segregated into secured and unsecured portfolio.
A distinct PD specific to secured loans, including LAP, has been derived based on historical performance.
A separate PD has been calculated for unsecured loans, reflecting their higher risk profile.
Segmenting PD by secured and unsecured loans improves precision in risk measurement and aligns with the portfolio composition.
The portfolio's Observed Default Rate (ODR) is modelled using historical data (secured and unsecured loans considered together), leveraging an approach similar to Wheels Business incorporating a three variable regression model.
The LGD approach focuses exclusively on cases where loans have defaulted, and all associated collections have been fully realized.

ECL on Lease business portfolio:

The customer segment catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

Since the Lease business comprising Operating and Finance lease is relatively a new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Company has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the similarities in products offered, customer segments catered and average tenure of lease contracts.

ECL on Trade Advance portfolio:

The portfolio comprises of short-term advance to M&M and Non M&M dealers.
The Interest-Free Trade Advance (IFTA) period generally ranges between 15 days to 75 days for Trade Advance (TA) facilities offered to dealers.
SICR is assumed at 60 days past the lending date, considering the due date logic instead of Days Past Due (DPD) logic.

The Company has computed Through the Cycle (TTC) PDs based on month-on-month transition matrix of historical movement data, capturing transitions between stages. These transition probabilities are used as input to calculate TTC PDs. Given the short tenure of the facility, management believes that the impact of macro economic factors may not impact the PD of the portfolio in the short span.

The company has historically written off unrecovered amounts from dealers in adherence to the Technical Write off policy. The portfolio's own historical experience provides a reliable LGD estimate which is considered for ECL computation.

ECL on Investments:

The company applies a structured and comprehensive ECL approach to three critical investment categories: Investments in Government Securities (G-Secs), Bonds, Commercial Papers (CPs), and Certificates of Deposit (CDs), Liquidity Pools for Short-Term Requirements, and Pass-Through Certificates (PTCs) from securitisation transactions.

i. Investments in G-Secs, Bonds, CP, and CD

Investments in G-Secs, Bonds, CP, and CD are measured at fair value through profit and loss (FVTPL) or other comprehensive income (FVOCI).
Periodic revaluations ensure that market fluctuations and credit risks are accurately captured.
Fluctuations in fair value are recorded in the profit and loss account or other comprehensive income, depending on the classification of the asset.

ii. Liquidity Pool Investments

Liquidity pool investments are categorized as financial assets measured at fair value through profit or loss (FVTPL) or other comprehensive income (FVOCI) as per Ind AS 109.
Regular revaluations align their valuation with prevailing market conditions.
Fluctuations in the fair value are recorded directly in the profit and loss account or other comprehensive income, depending on the classification.

Exemption from Impairment Testing:

Since these assets are measured at fair value, additional impairment testing is not required under Ind AS 109. The fair value inherently reflects:
a. Market Volatility: Adjustments for prevailing economic and market conditions.
b. Credit Risk: Assessment of the issuer's creditworthiness.
c. Governance Practices: Regular compliance reviews ensure alignment with regulatory guidelines. Transparent reporting of valuation methodologies enhances stakeholder confidence.

iii. Pass through Certificates (PTCs):

The creditworthiness of the underlying loan pool is assessed using historical performance data, default rates, and recovery trends.
Insights from these evaluations guide the classification and risk provisioning of PTC investments.

Stage Classification:

Stage 1: Investments with low credit risk, requiring computation of 12-month ECL.
Stage 2: Investments with a significant increase in credit risk, necessitating lifetime ECL.
Stage 3: Defaulted investments, for which lifetime ECL is calculated with elevated provisioning requirements.

ECL Estimation Metrics:

Probability of Default (PD): Based on historical data and forward-looking macroeconomic factors.
Loss Given Default (LGD): Reflecting recovery rates and collateral quality.
Exposure at Default (EAD): The total value exposed to credit risk.
Time Value Adjustment: Future ECL amounts are discounted to present value using the effective interest rate, ensuring accurate reflection of economic impacts.

ECL on Other Financial Assets:

MMFSL has Simplified Approach to Expected Credit Loss (ECL) under Ind AS 109 for other financial assets that involve credit risk. This approach is considered suitable for as receivables portfolios as aging and historical recovery trends are the primary drivers of credit risk assessment. These assets include receivables, Insurance Claims, Professional Charges, Interest Receivables (Interest accrued but not yet received), Brokerage etc.

The calculation of lifetime ECL is based on historical coverage rates which incorporates Probability of Default (PD) and Loss Given Default (LGD). The coverage rate is used to estimate the credit loss for each aging bucket, avoiding the need to compute PD and LGD separately.

Receivables Outstanding ≤ 90 DPD: A specific coverage rate is applied based on historical recovery patterns from wheels portfolio which is the largest portfolio for MMFSL and reflects long term trends.

Receivables Outstanding > 90 DPD: A 100% coverage rate is applied, assuming all receivables aged beyond 90 days are fully uncollectible based on historical trends.

(vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective product categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario and worst case scenario), best case scenarios has not been provided weightage to take care of the 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. As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for SICR.

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Rs in crore

49 **Financial Risk Management Framework *(Continued)***

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:

i. A Stage 3 customer having other loans which are in Stage 1 or 2.
ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans
iii. Retail vehicle loans, where asset has been repossessed.
iv. Cases where Company suspects fraud and legal proceedings are initiated.
v. SME loans where the Company has resorted to its rights under the SARFAESI Act.
vi. Exposure of co –applicant is considered for provision in Stage 3.
Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision up to 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.
The Company regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) ***Policy for write off of Loan Assets***

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(x) ***Inputs to the model***

a. Observed Default Rates (ODRs) over past 60 months for each product category
b. Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years
c. Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered
b. These are converted into quarterly numbers applying cubic spline technique
c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.
d. These combinations are further tested for statistical robustness.
e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.
f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

i. GDPP is considered as one of 3 variables compulsorily.
ii. Second Variable is from below list of parameters selected by the management which are considered relevant to the business:

Description
Real GDP (% change pa)
Nominal GDP (PPP$)
Real private consumption (LCU)
Real government consumption (LCU)
Real gross fixed investment (LCU)
Real exports of G&S (LCU)
Real imports of G&S (LCU)
Real domestic demand (LCU)
Real GDP (PPP US$ at 2010 prices)
Real private consumption (US$ at 2010 prices)
Real gross fixed investment (US$ at 2010 prices)
Nominal GDP (LCU)
Nominal private consumption (LCU)
Nominal government consumption (LCU)
Nominal gross fixed investment (LCU)
Nominal exports of G&S (LCU)
Nominal imports of G&S (LCU)
Nominal domestic demand (LCU)
Nominal GDP (US$)
Nominal private consumption (US$)
Nominal government consumption (US$)
Nominal gross fixed investment (US$)
Nominal exports of G&S (US$)
Nominal imports of G&S (US$)
Nominal domestic demand (US$)
GDP deflator (2010=100; av)
Real agriculture (LCU)
Consumer prices (% change pa; av)
Lending interest rate (%)
Budget revenue (LCU)
Budget expenditure (LCU)
Domestic credit growth (%)
Consumer price index (av)
Consumer price index (end-period)

iii. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.
E. Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.2 Credit Risk Management *(Continued)*

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance lease** is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	99,532.31	6,454.22	4,340.48	1,10,327.01
Expected credit loss rate	0.57%	9.05%	50.82%	
Carrying amount as at March 31, 2025 (net of impairment provision)	98,969.48	5,870.29	2,134.49	1,06,974.26
Gross Balance as at March 31, 2024	86,364.49	5,099.84	3,440.93	94,905.26
Expected credit loss rate	0.68%	11.45%	63.32%	
Carrying amount as at March 31, 2024 (net of impairment provision)	85,777.59	4,515.67	1,262.22	91,555.49

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	6,028.43	55.05	65.07	6,148.54
Expected credit loss rate	0.22%	33.50%	76.15%	
Carrying amount as at March 31, 2025 (net of impairment provision)	6,015.25	36.60	15.52	6,067.37
Gross Balance as at March 31, 2024	4,728.37	40.94	43.10	4,812.41
Expected credit loss rate	0.66%	11.51%	62.85%	
Carrying amount as at March 31, 2024 (net of impairment provision)	4,697.08	36.23	16.01	4,749.32

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

Rs. in crore

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at March 31, 2025	3,186.76	2.32	8.38	3,197.47
Expected credit loss rate	0.71%	4.84%	29.87%	
Carrying amount as at March 31, 2025 (net of impairment provision)	3,164.29	2.21	5.88	3,172.38
Gross Balance as at March 31, 2024	2,853.29	18.94	6.87	2,879.10
Expected credit loss rate	0.40%	5.63%	100.00%	
Carrying amount as at March 31, 2024 (net of impairment provision)	2,841.88	17.87	-	2,859.75

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended March 31, 2025 and that were still subject to enforcement activity was Rs 1.60 crore (March 31, 2024: Rs 3.36 crore)

The expected credit loss allowance provision for **Financial Investments measured at amortized cost** is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	1,219.81	-	-	1,219.81
Expected credit loss rate	-			-
Carrying amount as at March 31, 2025 (net of impairment provision)	1,219.81	-	-	1,219.81
Gross Balance as at March 31, 2024	1,263.87	-	-	1,263.87
Expected credit loss rate	0.00%			
Carrying amount as at March 31, 2024 (net of impairment provision)	1,263.87	-	-	1,263.87

Level of Assessment - Aggregation Criteria

The Company recognizes 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 unorganized sectors) the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets

Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.2 Credit Risk Management *(Continued)*

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 March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2023	67,237.62	4,852.75	3,655.11	75,745.48
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	1,044.29	(934.81)	(109.48)	-
- Transfers to Stage 2	(3,856.09)	3,935.32	(79.23)	-
- Transfers to Stage 3	(1,395.58)	(694.54)	2,090.12	-
- Loans that have been derecognized during the period	(8,792.29)	(1,259.48)	(1,226.79)	(11,278.56)
New loans originated during the year	48,192.62	736.93	305.20	49,234.75
Write-offs	(2.37)	(9.21)	(972.10)	(983.68)
Impact of changes on items within the same stage	(16,063.71)	(1,527.12)	(221.90)	(17,812.73)
Gross carrying amount balance as at March 31, 2024	86,364.49	5,099.84	3,440.93	94,905.26

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2024	86,364.49	5,099.84	3,440.93	94,905.26
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	994.13	(906.18)	(87.94)	-
- Transfers to Stage 2	(5,536.02)	5,620.23	(84.22)	-
- Transfers to Stage 3	(1,950.74)	(1,073.99)	3,024.73	-
- Loans that have been derecognized during the period	(8,858.46)	(1,013.47)	(1,068.85)	(10,940.78)
New loans originated during the year	48,797.59	680.71	215.84	49,694.14
Write-offs	(5.62)	(31.81)	(771.54)	(808.97)
Impact of changes on items within the same stage	(20,273.08)	(1,921.11)	(328.47)	(22,522.66)
Gross carrying amount balance as at March 31, 2025	99,532.30	6,454.21	4,340.48	1,10,327.00

Reconciliation of ECL balance

As at March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2023	533.82	518.42	2,169.34	3,221.58
Changes due to loans recognized in the opening balance that have				
- Transfers to Stage 1	164.62	(99.87)	(64.75)	-
- Transfers to Stage 2	(30.62)	77.47	(46.85)	-
- Transfers to Stage 3	(11.08)	(74.20)	85.28	-
- Loans that have been derecognized during the period	(69.61)	(134.58)	(724.50)	(928.69)
New loans originated during the year	326.49	82.34	192.56	601.39
Write-offs	(0.02)	(0.98)	(574.92)	(575.92)
Impact of changes on items within the same stage	(326.70)	215.57	1,142.55	1,031.42
ECL allowance balance as at March 31, 2024	586.90	584.17	2,178.71	3,349.78

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Rs. in crore

49 **Financial Risk Management Framework *(Continued)***

49.2 **Credit Risk Management *(Continued)***

Reconciliation of ECL balance *(Continued)*

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2024	586.90	584.17	2,178.71	3,349.78
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	159.72	(104.26)	(55.47)	-
- Transfers to Stage 2	(37.69)	90.81	(53.12)	-
- Transfers to Stage 3	(13.28)	(123.56)	136.84	-
- Loans that have been derecognized during the period	(62.53)	(119.09)	(676.40)	(858.02)
New loans originated during the year	276.95	61.99	107.59	446.52
Write-offs	(0.04)	(3.66)	(486.61)	(490.31)
Impact of changes on items within the same stage	(347.22)	197.53	1,054.45	904.77
ECL allowance balance as at March 31, 2025	562.81	583.93	2,205.99	3,352.74

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended March 31, 2025 and that were still subject to enforcement activity was Rs 575.52 crore (March 31, 2024: Rs 1,006.22 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 <u>SME Loans including Bills of exchange</u> is, as follows :

Gross exposure reconciliation

As at March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2023	4,386.46	20.53	49.69	4,456.68
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	-
- Transfers to Stage 2	(42.40)	43.43	(1.03)	-
- Transfers to Stage 3	(30.33)	(7.40)	37.73	-
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at March 31, 2024	4,728.37	40.94	43.10	4,812.41

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2024	4,728.37	40.94	43.10	4,812.41
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	7.86	(7.67)	(0.19)	0.00
- Transfers to Stage 2	(41.17)	41.82	(0.65)	(0.00)
- Transfers to Stage 3	(69.23)	(8.23)	77.46	-
- Loans that have been derecognized during the period	(1,745.49)	(12.41)	(6.22)	(1,764.12)
New loans originated during the year	3,917.60	15.90	0.81	3,934.31
Write-offs	(8.04)	(3.99)	(28.80)	(40.83)
Impact of changes on items within the same stage	(761.46)	(11.32)	(20.45)	(793.23)
Gross carrying amount balance as at March 31, 2025	6,028.43	55.04	65.06	6,148.54

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Notes forming part of the Standalone Financial Statements ***(Continued)***
for the year ended March 31, 2025

Rs in crore

49 **Financial Risk Management Framework** ***(Continued)***

49.2 **Credit Risk Management** ***(Continued)***

Reconciliation of ECL balance

As at March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2023	15.85	1.99	28.37	46.21
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	-
- Transfers to Stage 2	(0.23)	0.88	(0.65)	-
- Transfers to Stage 3	(0.15)	(0.81)	0.96	-
- Loans that have been derecognised during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	-	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at March 31, 2024	8.08	5.02	19.37	32.47

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2024	8.08	5.02	19.37	32.47
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	1.03	(0.94)	(0.09)	-
- Transfers to Stage 2	(0.12)	0.41	(0.30)	(0.01)
- Transfers to Stage 3	(0.21)	(1.00)	1.20	(0.01)
- Loans that have been derecognized during the period	(1.46)	(1.53)	(2.85)	(5.84)
New loans originated during the year	7.31	6.08	0.61	14.00
Write-offs	(0.02)	(0.49)	(12.84)	(13.35)
Impact of changes on items within the same stage	(1.41)	10.89	44.43	53.91
ECL allowance balance as at March 31, 2025	13.20	18.44	49.53	81.17

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended March 31, 2025 and that were still subject to enforcement activity was Rs.24.45 crore (March 31, 2024: Rs.40.48 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 March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at April 1 2023	154.30	-	-	154.30
New Exposures	28.00	-	-	28.00
Exposure derecognized or matured/ lapsed (excluding write-offs)	(154.30)	-	-	(154.30)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
Closing balance of outstanding exposure as at March 31, 2024	28.00	-	-	28.00

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Rs. in crore

49 **Financial Risk Management Framework** ***(Continued)***

49.2 **Credit Risk Management** ***(Continued)***

Gross exposure reconciliation ***(Continued)***

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at April 1 2024	28.00	-	-	28.00
New Exposures	234.39	-	-	234.39
Exposure derecognized or matured/ lapsed (excluding write-offs)	(28.00)	-	-	(28.00)
- 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 March 31, 2025	234.39	-	-	234.39

Reconciliation of ECL balance

As at March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2023	0.43	-	-	0.43
New Exposures	0.02	-	-	0.02
Exposure derecognized or matured/ lapsed (excluding write-offs)	(0.43)	-	-	(0.43)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognized during the period	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at March 31, 2024	0.02	-	-	0.02

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2024	0.02	-	-	0.02
New Exposures	0.69	-	-	0.69
Exposure derecognized or matured/ lapsed (excluding write-offs)	(0.02)	-	-	(0.02)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognized during the period	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at March 31, 2025	0.69	-	-	0.69

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Rs. in crore

49 **Financial Risk Management Framework** ***(Continued)***

49.2 **Credit Risk Management** ***(Continued)***

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortized cost is as follows :

Gross exposure reconciliation

As at March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2023	1,436.11	-	-	1,436.11
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	(163.42)	-	-	(163.42)
New Investments originated during the year	124.98	-	-	124.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(8.82)	-	-	(8.82)
Gross carrying amount balance as at March 31, 2024	1,388.85	-	-	1,388.85

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2024	1,388.85	-	-	1,388.85
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	(124.98)	-	-	(124.98)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(44.06)	-	-	(44.06)
Gross carrying amount balance as at March 31, 2025	1,219.81	-	-	1,219.81

Reconciliation of ECL balance

As at March 31, 2024

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2023	55.49	-	-	55.49
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	(0.98)	-	-	(0.98)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at March 31, 2024	54.51	-	-	54.51

Rs in crore

49 Financial Risk Management Framework *(Continued)*

49.2 Credit Risk Management *(Continued)*

Reconciliation of ECL balance *(Continued)*

As at March 31, 2025

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2024	54.51	-	-	54.51
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognized during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at March 31, 2025	54.51	-	-	54.51

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended March 31, 2025 and that were still subject to enforcement activity was nil (March 31, 2024 : nil).

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company mostly provide loans to retail individual customers, 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:

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Concentration by Geographical region in India:		
North	40,642.29	33,372.40
East	22,582.75	21,039.12
West	34,238.63	28,805.94
South	22,209.35	19,379.31
Total Gross Carrying Value	1,19,673.02	1,02,596.77

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.

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.2 Credit Risk Management *(Continued)*

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:

Rs. in crore

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
0 - 50%	7,517.50	6,365.54	2,183.72	1,720.06
51 - 70%	15,982.16	13,653.35	1,074.94	917.03
71 - 100%	64,844.68	56,893.97	610.80	300.27
Above 100%	21,244.73	17,352.61	41.14	233.26
	1,09,589.07	94,265.47	3,910.59	3,170.63

Gross value of credit impaired loans to value of collateral:

Rs. in crore

Loan To Value	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
0 - 50%	604.52	102.93	27.51	7.46
51 - 70%	714.56	117.61	5.10	1.34
71 - 100%	1,781.86	481.88	6.31	1.30
Above 100%	1,239.54	2,738.51	26.15	33.01
	4,340.48	3,440.93	65.07	43.10

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 recognizing the loss allowances.

Fair value of collateral held against Credit Impaired assets

Rs. in crore

March 31, 2025	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus/(Deficient) Collateral	Total Secured Collateral	Net Exposure	Associated ECL
Retail Loans	4,340.48	6,750.71	-	-	-	2,596.74	4,153.97	186.51	2,205.99
SME Loans	65.07	-	42.57	38.15	44.00	85.69	39.03	26.04	49.53

March 31, 2024	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus/(Deficient) Collateral	Total Secured Collateral	Net Exposure	Associated ECL
Retail Loans	3,440.93	2,578.87	-	-	-	(381.64)	2,960.51	480.42	2,178.71
SME Loans	43.10	-	25.98	43.52	0.07	62.88	6.69	36.41	19.37

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

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.

Rs. in crore

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Non-derivative financial liabilities				
As at March 31, 2025				
Trade Payable :	**1,228.89**	**-**	**-**	**-**
Debt Securities :				
- Principal	**8,571.00**	**7,649.63**	**5,102.50**	**3,900.50**
- Interest	**1,608.30**	**2,189.49**	**1,088.10**	**769.46**
Borrowings (Other than Debt Securities) :				
- Principal	**24,896.28**	**37,738.05**	**6,828.81**	**68.79**
- Interest	**4,131.60**	**3,699.00**	**297.75**	**0.51**
Deposit :				
- Principal	**3,993.64**	**5,904.55**	**1,028.25**	**-**
- Interest	**615.63**	**1,127.86**	**278.70**	**-**
Subordinated liabilities :				
- Principal	**175.00**	**1,380.25**	**336.87**	**3,356.86**
- Interest	**431.62**	**713.13**	**575.92**	**1,003.01**
Other financial liabilities :	**463.24**	**184.04**	**128.29**	**105.60**
Total	**46,115.21**	**60,586.00**	**15,665.20**	**9,204.73**
As at March 31, 2024				
Trade Payable :	1,524.89	-	-	-
Debt Securities :				
- Principal	9,560.75	10,561.40	754.35	5,978.00
- Interest	1,906.89	2,413.39	1,033.67	1,443.25
Borrowings (Other than Debt Securities) :				
- Principal	18,603.73	26,827.60	8,782.36	111.12
- Interest	3,227.24	3,352.80	481.18	0.79
Deposit :				
- Principal	2,660.39	3,588.40	948.41	-
- Interest	504.35	682.63	253.51	-
Subordinated liabilities :				
- Principal	274.32	1,108.01	447.24	2,193.74
- Interest	338.32	572.77	413.36	695.31
Other financial liabilities :	1,898.47	304.93	129.36	108.58
Total	40,499.36	49,411.92	13,243.44	10,530.79

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.3 Liquidity Risk Management *(Continued)*

b) Maturity profile of derivative financial instruments

The following table details the Company's liquidity analysis for its undiscounted value of derivative financial instruments.

Rs. in crore

Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at March 31, 2025				
Foreign exchange forward contracts				
- Payable	233.74	49.81	-	-
- Receivable	-	6.02	-	-
Interest Rate swaps				
- Payable	8.21	59.78	19.26	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	47.18	-	-	-
- Receivable	24.33	-	-	-
Total Payable	289.13	109.59	19.26	-
Total Receivable	24.33	6.02	-	-
As at March 31, 2024				
Foreign exchange forward contracts				
- Payable	0.97	199.74	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	3.15	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	164.23	-	-
- Receivable	-	-	-	-
Total Payable	0.97	367.12	-	-
Total Receivable	-	-	-	-

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.4 a) Financial Instruments regularly measured using Fair Value - recurring items

Rs. in crore

Type of instrument	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets / financial liabilities	Category	As at March 31, 2025	As at March 31, 2024					
1) Foreign currency forwards, Interest rate, currency swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	(359.10)	(335.27)	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) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	78.12	52.86	Level 1	Quoted market price			
3) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	593.75	757.41	Level 2	Quoted market price of similar			
4) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	2,330.40	967.73	Level 2	Quoted market price of similar instrument			
5) Investment in equity instruments- Quoted	Financial Assets	Financial instrument measured at FVTPL	0.18	0.22	Level 1	Quoted market price			
6) Investment in equity instruments- Unquoted	Financial Assets	Financial instrument designated at FVOCI	126.67	42.41	Level 3	Discounted Cash Flow / Book Value	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.
7) Investment in Govt securities and bonds	Financial Assets	Financial instrument measured at FVOCI	4,247.99	4,460.74	Level 1	Quoted market price			
8) Investment in Bonds	Financial Assets	Financial instrument measured at FVOCI	282.09	453.34	Level 2	Quoted market price of similar instrument			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

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Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Rs. in crore

Particulars	Unquoted Equity investment
Year ended March 31, 2025	
Opening balance	42.41
Total gains or losses recognized:	
In Profit or loss	
a) in profit or loss	-
b) in other comprehensive income	84.26
Fair value of -	
Purchases made during the year	-
Disposals made during the year	-
Transfers into Level 3	-
Transfers out of Level 3	-
Closing balance	126.67
Year ended March 31, 2024	
Opening balance	42.41
Total gains or losses recognized:	
In Profit or loss	
a) in profit or loss	-
b) in other comprehensive income	-
Fair value of -	
Purchases made during the year	-
Issues made during the year	-
Disposals made during the year	-
Transfers into Level 3	-
Transfers out of Level 3	-
Closing balance	42.41

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.

Rs in crore

	March 31, 2025	March 31, 2024
Equity investment in Smartshift Logistic Solutions Private Limited		
Fair Value of Investments	126.67	42.41

There are no disposal of investment during the year ended March 31, 2025 and March 31, 2024 respectively.

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for the year ended March 31, 2025

Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.4 d) Financial Instruments measured at amortized cost

Rs in crore

Particulars	**Carrying Value**	**Fair value**		**Fair value**	
			Level 1	**Level 2**	**Level 3**
As at March 31, 2025					
Financial assets					
a) Bank balances other than cash and cash equivalent	**3,869.31**	**3,869.80**	**3,781.23**	**-**	**88.57**
b) Loans and advances to customers	**1,16,214.02**	**1,17,980.45**	**-**	**-**	**1,17,980.45**
c) Financial investments - at amortized cost	**1,219.81**	**1,252.78**	**1,252.78**	**-**	**-**
Total	**1,21,303.14**	**1,23,103.03**	**5,034.01**	**-**	**1,18,069.02**
Financial liabilities					
a) Debt securities	**26,204.83**	**26,441.52**	**25,560.65**	**880.87**	**-**
b) Borrowings other than debt securities	**69,734.92**	**69,913.48**	**-**	**69,913.48**	**-**
c) Deposits	**11,404.15**	**11,617.38**	**-**	**11,617.38**	**-**
d) Subordinated Liabilities	**5,529.57**	**5,499.93**	**2,960.00**	**2,539.93**	
e) Other financial liabilities	**790.60**	**788.21**	**-**	**407.41**	**380.80**
Total	**1,13,664.07**	**1,14,260.51**	**28,520.65**	**85,359.06**	**380.80**
As at March 31, 2024					
Financial assets					
a) Bank balances other than cash and cash equivalent	2,955.99	2,973.94	2,409.74	-	564.20
b) Loans and advances to customers	99,195.18	98,655.46	-	-	98,655.46
c) Financial investments - at amortized cost	1,388.85	1,404.49	-	1,404.49	-
Total	1,03,540.02	1,03,033.89	2,409.74	1,404.49	99,219.66
Financial liabilities					
a) Debt securities	26,725.94	27,965.63	26,992.11	973.52	-
b) Borrowings other than debt securities	54,318.83	54,482.68	-	54,482.68	-
c) Deposits	7,544.18	7,686.98	-	7,686.98	-
d) Subordinated Liabilities	4,005.66	4,347.98	1,680.87	2,667.11	
e) Other financial liabilities	687.92	681.35	-	319.99	361.36
Total	93,282.53	95,164.62	28,672.98	66,130.28	361.36

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.

Rs. in crore

49 Financial Risk Management Framework *(Continued)*

49.4 d) Financial Instruments measured at amortized cost *(Continued)*

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 cash equivalent, trade receivables, balances other than cash and cash equivalents, term deposits and trade payables. Further, such financial assets and financial liabilities are disclosed at Level 1 fair value.

Loans and advances to customers
The fair values of loans and advances are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Financial Investments
For Government Securities and bonds, the quoted market price as on date of reporting is considered for fair value computations. Where such price is not available, quoted market price of similar instruments as on date of reporting is considered.

Borrowings other than deposits from public
The fair value of borrowings 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.

Rs. in crore

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.

Rs. in crore

Assets	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and cash equivalents	1,666.56	-	1,666.56	311.07	-	311.07
Bank balance	3,777.92	91.39	3,869.31	2,378.04	577.95	2,955.99
Derivative financial instruments	25.69	5.26	30.95	-	-	-
Trade receivables	53.02	-	53.02	24.74	-	24.74
Loans	43,226.76	72,987.26	1,16,214.02	37,167.83	62,027.35	99,195.18
Investments	5,105.40	5,295.08	10,400.48	2,398.52	7,252.30	9,650.82
Other financial assets	152.89	94.64	247.53	158.72	70.11	228.83
Current tax assets (Net)	-	601.68	601.68	-	609.78	609.78
Deferred tax Assets (Net)	-	640.99	640.99	-	691.08	691.08
Property, plant and equipment	-	876.38	876.38	-	811.11	811.11
Intangible assets under development	-	65.10	65.10	-	105.10	105.10
Capital work-in-progress	-	0.52	0.52	-	0.15	0.15
Other Intangible assets	-	172.89	172.89	-	14.61	14.61
Other non-financial assets	587.48	121.27	708.75	464.16	96.59	560.75
Total Assets	54,595.72	80,952.45	1,35,548.18	42,903.08	72,256.13	1,15,159.21
Liabilities						
Financial Liabilities						
Derivative financial instruments	276.82	113.23	390.05	0.93	334.34	335.27
Payables						
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	1,208.56	-	1,208.56	1,459.47	-	1,459.47
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	2.71	-	2.71	2.80	-	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.62	-	17.62	62.62	-	62.62
Debt Securities	9,572.72	16,632.11	26,204.83	10,429.72	17,267.32	27,697.03
Borrowings (Other than Debt Securities)	25,124.62	44,610.30	69,734.92	18,752.13	35,715.09	54,467.22
Deposits	4,249.79	7,154.36	11,404.15	2,729.26	4,814.92	7,544.18
Subordinated Liabilities	443.71	5,085.86	5,529.57	512.35	3,757.80	4,270.15
Other financial liabilities	436.00	354.60	790.60	353.33	334.59	687.92
Non-Financial Liabilities						
Current tax liabilities (Net)	69.73	-	69.73	119.26	-	119.26
Provisions	145.27	71.77	217.04	123.18	81.95	205.13
Other non-financial liabilities	163.71	2.46	166.17	145.51	5.16	150.67
Total Liabilities	41,711.26	74,024.69	1,15,735.95	34,690.56	62,311.17	97,001.72
Net	12,884.46	6,927.77	19,812.23	8,212.53	9,944.96	18,157.49

Rs. in crore

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 Mahindra Logistics Limited Mahindra Construction Co. Limited Bristlecone India Limited Gromax Agri Equipment Limited Mahindra Holidays & Resorts India Limited New Democratic Electoral Trust Mahindra Susten Pvt Limited Mahindra & Mahindra Contech Pvt Limited Mahindra Two wheeler Limited Mahindra Sumit Agriscience Limited Swaraj Engines Limited Mahindra Heavy Engines Limited Mahindra Teqo Pvt Limited Fifth Gear Ventures Limited Mahindra Aerostructures Private Limited Mahindra Agri Solutions Limited Mahindra Electric Automobile Limited (MEAL) Mahindra HZPC Private Limited Mahindra Last Mile Mobility Limited Mahindra Lifespace Developers Limited Mahindra Solarize Limited Mahindra University Mahindra World City (Jaipur) Limited Naandi Community Water Services Private Limited Sustainable Energy Infra Investment Managers Private Limited
d) **Joint Ventures / Associates:** (entities on whom control is exercised)	Mahindra Finance USA, Inc Mahindra Manulife Investment Management Pvt. Ltd. Mahindra Manulife Trustee Pvt. Ltd.
e) **Joint Ventures / Associates of Holding Company:** (entities with whom the Company has transactions)	Tech Mahindra Limited Smartshift Logistics Solutions Pvt Ltd PSL Media & Communications Ltd
f) **Key Management Personnel:**	Mr. Raul Rebello Mr. Anish Shah Mr. Milind Sarwate Dr. Rebecca Nugent Mr. Diwakar Gupta Mr. Ashwani Ghai Mr. Vijay Kumar Sharma Mr. Amarjyoti Barua Mr. Ramesh Iyer *(Ceased to be KMP w.e.f April 29, 2024)* Mr. C. B. Bhave *(Ceased to be KMP w.e.f February 02, 2025)* Mr. Dhananjay Mungale *(Ceased to be KMP w.e.f July 23, 2024)* Mrs. Rama Bijapurkar *(Ceased to be KMP w.e.f July 23, 2024)*
g) **Relatives of Key Management Personnel** (where there are transactions)	Mr. Joan Rebello Mr. Dinesh Iyer *(Ceased to be relatives of KMP w.e.f April 29, 2024)* Mrs. Janki Iyer *(Ceased to be relatives of KMP w.e.f April 29, 2024)* Mrs. Girija Subramanian *(Ceased to be relatives of KMP w.e.f April 29, 2024)* Mr. Risheek Ramesh Iyer *(Ceased to be relatives of KMP w.e.f April 29, 2024)*

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Notes to the Standalone Financial Statements *(Continued)*

for the year ended March 31, 2025

Rs. In crore

1 **Related party disclosures: *(Continued)***

i) **The nature and volume of transactions of the Company during the year with above related parties were as follows:**

Rs. in crore

RELATED PARTY TRANSACTIONS

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Subvention / Incentive income												
- Mahindra & Mahindra Limited	19.17	28.61	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	9.88	7.94	-	-	-	-	-	-
Lease rental income												
- Mahindra & Mahindra Limited	93.73	100.64	-	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private	-	-	-	-	0.20	-	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.41	0.39	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.30	0.39	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	0.04	0.28	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.28	0.61	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	0.07	0.13	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	0.30	0.24	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	0.13	0.17	-	-	-	-	-	-
- Mahindra HZPC Pvt Ltd	-	-	-	-	0.13	0.06	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	4.20	0.74	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	1.50	1.44	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	0.01	0.10	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.59	0.03	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.95	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	8.51	0.51	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	1.42	0.67	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.60	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	0.47	-	-	-	-	-	-	-
-Mahindra Aerostructures Private Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
-Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	0.20	-	-	-	-	-	-	-
'- Mahindra World City (Jaipur) Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
'-Mahindra Logistics Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
Interest income												
- Mahindra & Mahindra Limited	2.17	1.85	-	-	-	-	-	-	-	-	-	-
Income from sharing services												
- Mahindra Rural Housing Finance Limited	-	-	4.07	4.83	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	1.56	2.35	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	1.05	0.59	-	-	-	-
Other Income												
- Mahindra & Mahindra Limited	0.34	0.88	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.22	0.07	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	0.00	-	-	-	-	-	-	-	-
Dividend Income												
- Mahindra Insurance Brokers Limited	-	-	15.46	2.89	-	-	-	-	-	-	-	-
Interest expense												
- Mahindra & Mahindra Limited	-	0.05	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	13.54	15.87	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	2.43	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.07	0.07	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	11.92	8.97	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.06	0.06	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	-	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.18	0.16
Other expenses												
- Mahindra & Mahindra Limited	25.32	52.10	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.16	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	23.73	24.37	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	-	1.52	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	0.54	0.24	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	61.87	59.33	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	0.58	0.65	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.08	0.03	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	62.72	12.27	-	-	-	-	-	-
- Others	-	-	-	-	0.28	0.07	-	-	-	-	-	-
Donations												
- Mahindra Finance CSR Foundation	-	-	0.02	-	-	-	-	-	-	-	-	-
- National Democratic Electoral Trust	-	-	-	-	21.00	-	-	-	-	-	-	-
- Tech Mahindra Foundation	-	-	-	-	0.15	-	-	-	-	-	-	-
Remuneration												
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	3.65	8.15	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	3.95	3.90	-	-
Sitting fees and commission												
- Mr C. B. Bhave	-	-	-	-	-	-	-	-	0.57	0.53	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	-	0.24	0.53	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	-	0.23	0.50	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	-	-	0.69	0.57	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	-	-	0.54	0.46	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	-	-	0.65	0.50	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	-	-	0.47	0.30	-	-
- Mr Vijay Kumar Sharma	-	-	-	-	-	-	-	-	0.45	-	-	-
- Mr Siddhartha Mohanty	-	-	-	-	-	-	-	-	-	0.04	-	-

M.M. NISSIM & CO LLP CHARTERED ACCOUNTANTS FRN : 107122W W100672 MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

MUMBAI

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Reimbursement from parties												
- Mahindra & Mahindra Limited	1.86	2.64	-	-	-	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	3.90	3.10	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.37	0.94	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.07	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	3.75	0.07	-	-	-	-	-	-	-	-
Reimbursement to parties												
- Mahindra & Mahindra Limited	25.91	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.93	1.17	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	3.09	2.65	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.42	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.02	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	0.06	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.01	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	0.16	-	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	126.34	147.55	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.01	0.18	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.25	0.02	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.19	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	9.19	9.61	-	-	-	-	-	-
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	3.11	-	-	-	-	-	-	-
Sale of fixed assets												
- Mahindra & Mahindra Limited	0.44	0.23	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.05	0.67	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.27	0.19	-	-	-	-	-	-
"- Mahindra World City (Jaipur) Limited	-	-	-	-	0.20	-	-	-	-	-	-	-
Investments made												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	206.39	-	-	-	-	-	-	-	-
- Mahindra Manulife Trustee Company Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Finance USA, Inc	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Ideal Finance Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Finance CSR Foundation	-	-	-	-	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	-	-	180.00	13.50	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.21	0.65	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	25.00	135.00	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.17	0.85	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.40	2.17
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	-	-	115.50	23.00	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.21	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	4.19	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	15.00	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.85	0.80	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.30	2.05
Dividend paid												
- Mahindra & Mahindra Limited	405.97	386.64	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	0.61	1.08	-	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	1.00	0.98	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	-	0.02	0.02	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	-	0.01	0.01	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.00	0.00
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	37.00	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	41.00	74.50	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	200.00	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	140.00	-	-	-	-	-	-
Debentures issued												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Debentures matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt repaid												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits given												
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits refunded												
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Issue of Share Capital (incl Securities premium)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	-	-	-	-	-	-	-	-	-	-
Balances as at the end of the period												
Receivables	-	-	-	-	-	-	-	-	-	-	-	
- Mahindra & Mahindra Limited	5.93	8.77	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.12	0.17	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	1.50	1.95	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	1.19	0.40	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	0.03	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	-	0.08	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	-	0.01	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	-	0.00	-	-	-	-	-	-
-Mahindra Aerostructures Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	-	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.98	0.45	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	4.42	2.61	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.09	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	-	0.02	-	-	-	-	-	-
Loan given (including interest accrued but not due)	-	-	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits given (including interest accrued but not due)	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
- Mahindra Rural Housing Finance Limited	-	-	799.29	799.29	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	206.84	206.84	-	-	-	-	-	-	-	-
- 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	-	-	-	-	-	-
Subordinate debt held (including interest accrued but not due)												
- Mahindra Rural Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-
Payables												
- Mahindra & Mahindra Limited	16.52	3.38	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.01	1.14	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	2.04	2.74	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	9.97	0.90	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	2.35	0.42	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	-	1.41	1.17	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	1.02	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	-	0.38	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	1.50	-	-	-	-	-	-	-
- Others	-	-	-	-	0.00	0.00	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	21.64	63.96	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Debentures (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	210.80	155.46	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.86	0.88	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	164.54	145.63	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.17	0.86	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.48	2.38

Key Management Personnel as defined in Ind AS 24 - Related Party Disclosures

M M NISSIM & CO LLP FRN : 107122W W100672 MUMBAI CHARTERED ACCOUNTANTS

M. P. CHITALE & CO. MUMBAI C.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD MUMBAI

Rs. in crore

51 **Related party disclosures: *(Continued)***

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.

Rs. in crore

Name of the KMP	Nature of transactions	March 31, 2025	March 31, 2024
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a director w.e.f April 29, 2024)	Gross Salary including perquisites	3.65	7.69
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	-	0.46
		3.65	8.15
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed as Director w.e.f. May 1, 2023)	Gross Salary including perquisites	3.62	3.67
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.33	0.23
		3.95	3.90
Mr. Dhananjay Mungale (Independent Director)			
(Ceased to be a director w.e.f July 23, 2024)	Commission	0.14	0.33
	Sitting fees	0.11	0.17
		0.24	0.50
Ms. Rama Bijapurkar (Independent Director)			
(Ceased to be a director w.e.f July 23, 2024)	Commission	0.14	0.33
	Sitting fees	0.09	0.14
		0.23	0.47
Mr. C.B. Bhave (Independent Director)			
(Ceased to be a director w.e.f Feb 02, 2025)	Commission	0.34	0.33
	Sitting fees	0.23	0.17
		0.57	0.50
Mr. Milind Sarwate (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.29	0.21
		0.69	0.54
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.14	0.10
		0.54	0.43
Diwakar Gupta (Independent Director)			
	Commission	0.40	0.08
	Sitting fees	0.24	0.15
		0.64	0.23
Vijay Kumar Sharma			
(Appointed w.e.f. May 15, 2024)	Commission	0.35	
	Sitting fees	0.09	-
		0.45	-
Ashwani Ghai (LIC of India representative)			
	Commission	0.39	-
	Sitting fees	0.08	0.04
		0.47	0.04
Siddhartha Mohanty (LIC of India representative)			
(Ceased to be a director w.e.f May 22, 2023)	Commission	-	-
	Sitting fees	-	0.04
		-	0.04

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

51 Related party disclosures: *(Continued)*

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at March 31, 2025

Rs. in crore

Particulars	Relationship	Balance as on April 1, 2024	Advances / investments	Repayments/ sale	Balance as on March 31, 2025
(A) Loans and advances		-	-	-	-
		-	-	-	-
(B) Unsecured redeemable non-convertible subordinate debentures		-	-	-	-
		-	-	-	-
(C) Investments:					
Mahindra Insurance Brokers Limited	Subsidiary	206.84	-	-	206.84
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	-		799.30
Mahindra Manulife Investment Management Private	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidia	0.00		-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		1,499.98	-	-	1,499.98
Total		1,499.98	-	-	1,499.98

As at March 31, 2024

Rs. in crore

Particulars	Relation	Balance as on April 1, 2023	Advances / investments	Repayments/ sale	Balance as on March 31, 2024
(A) Loans and advances		-	-	-	-
		-	-	-	-
(B) Unsecured redeemable non-convertible subordinate debentures					
		-	-	-	-
(C) Investments					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	206.39	-	206.84
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	-		799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidia	0.00		-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	77.97	-	-	77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50	-	-	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		1,293.59	206.39	-	1,499.98
Total		1,293.59	206.39	-	1,499.98

Notes :

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

Rs. in crore

52 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time)**

Rs. in crore

Sr. No.	Particulars	As at March 31, 2025 Amount Outstanding	As at March 31, 2025 Amount Overdue	As at March 31, 2024 Amount Outstanding	As at March 31, 2024 Amount Overdue
	Liabilities				
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :**				
	(a) Debentures :				
	- Secured	22,974.56	-	20,848.41	-
	- Unsecured	1,076.79	-	995.41	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	52,998.12	-	46,392.36	-
	(d) Inter-corporate loans and Other Borrowings	30.48	-	229.50	-
	(e) Commercial Paper	2,153.48	-	4,882.12	-
	(f) Public Deposits	6,947.62	-	6,109.41	-
	(g) Fixed Deposits accepted from Corporates	4,456.53	-	1,434.77	-
	(h) External Commercial Borrowings	7,022.09	-	2,102.05	-
	(i) Associated liabilities in respect of securitization transactions	8,684.41	-	5,592.45	-
	(j) Associated liabilities in respect of securitization transactions	999.82	-		
	(k) Subordinate debt (including NCDs issued through Public issue)	5,529.57	-	4,005.66	-
	(l) Other Short Term Loans and credit facilities from banks	-	-	2.47	-
2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	6,947.62	-	6,109.41	-

Sr. No.	Particulars	Amount Outstanding As at March 31, 2025	Amount Outstanding As at March 31, 2024
	Asset side:		
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured	-	-
	(b) Unsecured	6,149.03	4,992.85
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	2.72	16.75
	(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	162.14	108.37
	(b) Loans other than (a) above	1,09,953.15	94,101.95
5)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	161.43	11.83
	(iii) Units of mutual funds	78.12	52.86
	(iv) Government Securities	1,941.69	583.03
	(v) Investments in Certificate of Deposits with Banks	2,330.40	967.73
	(vi) Investments in Commercial Papers	593.75	757.41
	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 securitization transactions	-	-
	(viii) Investment in Triparty Repo Dealing System (TREPS)	-	124.98

Rs. in crore

52 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) *(Continued)***

Rs. in crore

	Particulars	As at March 31, 2025 Amount Outstanding	As at March 31, 2024 Amount Outstanding
5)	**Break-up of Investments : (Continued)**		
	Long Term Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	0.18	0.22
	(b) Preference	-	-
	(ii) Debentures and Bonds	333.88	479.18
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	3398.41	5193.63
	2. Unquoted :		
	(i) Shares : (a) Equity	1562.62	1478.36
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	1.59
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Investments in Pass Through Certificates under securitization transactions	-	-

6) **Borrower group-wise classification assets financed as in (3) and (4) above :**

Category	As at March 31, 2025 Amount net of provisions Secured	Unsecured	Total	As at March 31, 2024 Amount net of provisions Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	12.54	8.89	21.43	4.85	6.66	11.51
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	1,10,102.75	6,142.86	1,16,245.61	94,205.47	5,002.94	99,208.41
Total	1,10,115.29	6,151.75	1,16,267.04	94,210.32	5,009.60	99,219.92

7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	As at March 31, 2025 Market Value/ Break up or fair value or NAV	Book Value (net of provisions)	As at March 31, 2024 Market Value/ Break up or fair value or NAV	Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	1,029.60	1,029.60	1,084.11	1,029.60
(b) Companies in the same group	533.02	533.02	448.76	448.76
(c) Other related parties	-	-	-	-
2. Other than related parties	8,870.83	8,837.86	8,188.10	8,172.46
Total	10,433.45	10,400.48	9,720.97	9,650.82

8) **Other information:**

Particulars	As at March 31, 2025 Amount	As at March 31, 2024 Amount
i) Gross Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	4,413.94	3,490.90
ii) Net Non-Performing Assets :		
(a) Related parties	-	-
(b) Other than related parties	2,155.89	1,285.96
iii) Assets acquired in satisfaction of debt :	0.18	1.81

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Rs. in crore

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time)

I) Capital

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR (%)	18.33%	18.86%
CRAR-Tier I Capital (%)	15.25%	16.39%
CRAR-Tier II Capital (%)	3.08%	2.47%
Amount of subordinated debt raised as Tier-II capital (Rs. in crore)	1,500.00	700.00

II) Investments

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Value of Investments		
(i) Gross Value of Investments		
(a) In India	10,166.47	9,416.81
(b) Outside India	288.52	288.52
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	54.51	54.51
(iii) Net Value of Investments		
(a) In India	10,166.47	9,416.81
(b) Outside India	234.01	234.01
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	54.51	55.49
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	(0.98)
(iv) Closing balance	54.51	54.51

III) Derivatives

a) Forward Rate Agreement (FRA) / Cross Currency, Interest Rate Swap (IRS)

Rs. in crore

	As at March 31, 2025	As at March 31, 2024
(i) The notional principal of swap agreements	8,582.05	2,372.22
(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))	(359.10)	(335.27)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative

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Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) *(Continued)***

III) Derivatives *(Continued)*

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures –

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D / CFO / Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures –

d) Foreign currency non-repatriate loans availed:

Rs. in crore

	As at March 31, 2025		As at March 31, 2024	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging		8,582.05		2,372.22
ii) Marked to Market Positions [1]				
(a) Asset (+) Estimated gain	30.95	-	-	-
(b) Liability (-) Estimated loss	(309.81)	(80.24)	(332.58)	(2.69)
iii) Credit Exposure [2]	-	-	-	-
iv) Unhedged Exposures	-	-	-	-

Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) *(Continued)***

IV) Disclosures relating to Securitization

a) Disclosures in the notes to the accounts in respect of securitization 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 September 24, 2021

Rs. in crore

Sr no	Particulars	As at March 31, 2025	As at March 31, 2024
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 securitization exposures to be reported here)	21	16
2)	Total amount of securitised assets as per books of the SPEs	8,672.81	5,592.45
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	858.35	1,449.61
	Others	-	-
	b) On-balance sheet exposures		
	First loss-		
	- Cash collateral term deposits with banks	982.33	443.78
	Others -		
	- Retained interest in pass through certificates (excluding accrued interest)	-	-
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First Loss	-	-
	Others -	-	-
	- Excess Interest Spread	819.74	679.46
	(ii) Exposure to third party securitizations		
	First Loss		
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitizations		
	First Loss	-	-
	Others -	-	-
	- Cash collateral term deposits with banks	-	-
	(ii) Exposure to third party securitizations		
	First Loss	-	-
	Others		
5)	Sale consideration received for the securitised assets (for transactions executed during the year)	6,477.28	2,928.80
	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 securitization transactions. Servicing fee received during the financial year is disclosed	14.20	13.16
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	1,893.39	2,103.46
	b) Additions during the year (Fresh Transactions)	778.17	378.69
	c) Top Up during the year	-	-
	d) Reductions during the year (Matured Transactions)	830.88	588.76
	e) Withdrawal during the year	-	-
	f) Closing Balance Outstanding	1,840.68	1,893.39
	Excess Interest Spread (EIS) (Amount Held In Trust)		
	a) Opening Balance Outstanding	896.13	965.56
	b) Additions during the year (Fresh Transactions)	18.06	3.70
	c) Top Up during the year	186.18	252.14
	d) Reductions during the year (Matured Transactions)	555.08	325.27
	e) Withdrawal during the year	-	-
	f) Closing Balance Outstanding	545.29	896.13

Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) (Continued)**

IV) Disclosures relating to Securitization *(Continued)*

Sr. no	Particulars	As at March 31, 2025	As at March 31, 2024
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*	7.44%	8.58%
	b) Auto Loans*	5.52%	6.33%
	* % 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 Securitization / Reconstruction Company for Asset Reconstruction

During the current year and the previous year, the Company has not sold any financial assets to Securitization /Reconstruction Company for asset reconstruction.

V) Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

a) During the current year, details of assignment transactions undertaken by the Company

Sr. no	Particulars	As at March 31, 2025	As at March 31, 2024*
1)	No. of accounts	749	-
2)	Aggregate value (net of provision) of account sold	51.67	-
3)	Aggregate consideration (to the extent of 80% of assets assigned)	41.34	-
4)	No. of transactions	1	-
5)	Weighted average maturity (residual maturity) (in months)	47.40	-
6)	Weighted average holding period (in months)	7.89	-
7)	Retention of beneficial economic interest (MRR of the assignor)	20.00%	-
8)	Coverage of tangible security coverage	100.00%	-
9)	Rating-wise distribution of weighted loans	Unrated	-
10)	Number of instances (transactions) where transferor has agreed to replace the transferred loans	-	-
11)	Number of transferred loans replaced	-	-
12)	Net gain on derecognition of financial instruments under amortised cost category	1.90	-

*During the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

b) During the current year and the previous year, the Company has not transferred or acquired any stressed loans.

c) During the current year and the previous year, the Company has not acquired any loans not in default through assignment.

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Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) (Continued)**

VI) Exposures

a) **Exposure to Real Estate Sector** (refer note no 54 (A) (1))

b) **Exposure to Capital Market** (refer note no. 54 (A) (2))

c) **Details of financing of parent company products**

Of the total financing activity undertaken by the Company during the financial year 2024-25: 44 % (March 31, 2024: 44%) 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 March 31, 2025, the amount of unsecured advances stood at Rs. 6,161.54 crore (March 31, 2024: Rs.5,027.31 crore). There are no advances secured against intangible assets.

VII) Miscellaneous

a) **Registration obtained from other financial sector regulators**

Sr. no	Regulator	Registration no.	Valid From	Valid Up to
1)	AMFI Registered Mutual Fund Advisor (ARMFA)	ARN-30156	Aug 05, 2022	Aug 04, 2025
2)	Insurance Regulatory and Development Authority -Corporate agent	CA0939	May 21, 2024	May 20, 2027

b) **Disclosure of Penalties and strictures imposed by RBI and other regulators**

During the year under review, BSE had levied a fine of ₹ 23,600 (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 two ISINs during the month of November 2024. The Company has requested for waive-off, and the matter is under consideration with BSE.

c) **Related Party Transactions**

(Refer note no. 52)

d) **Rating assigned by credit rating agencies and migration of ratings during the year**

Credit Rating -

During the year under review, CRISIL Ratings Limited (CRISIL), has reaffirmed the credit rating of the Company's Long Term Bank Facilities, Non- Convertible Debentures, Subordinated Debt, Bank Facilities and Fixed Deposit as 'CRISIL AAA/ Stable'. The rating on the Company's Short-term Bank facilities and Commercial Paper has been reaffirmed at 'CRISIL A1+' which indicates very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk..

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term Debt instruments, Subordinated Debt programme, Bank Facilities and Fixed Deposit Programme as 'IND AAA/Stable' and Principal protected market linked debenture as IND PP-MLD AAA /Stable. The Company's Short Term Bank Loans, Commercial Paper has been rated at IND A1+.

During the year under review, CARE Ratings, also reaffirmed the 'CARE AAA; Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme.

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/stable' rating of the Company's Long-term Subordinated Debt Issue

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
'A1+' ratings indicate very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.

VIII Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

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Rs. in crore

IX) Revenue Recognition

Refer note no. 2.6 under Summary of Material Accounting Policies.

X) Indian Accounting Standard 27 (Ind AS 27) - Consolidated and Separate Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS)

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) (Continued)

XI) Provisions and Contingencies

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	-	(0.98)
Provision towards non-performing assets (Stage 3 assets)	53.36	(4.93)
Provision made towards Income tax	779.45	664.93
Other Provision and Contingencies (Loan commitment)	0.67	(0.41)
Provision for diminution in the fair value of restructured advances	-	-
Provision for Standard Assets (Stage 1 and Stage 2 assets)	5.59	112.83

Draw Down from Reserves
Year ended March 31, 2025 : Nil
Year ended March 31, 2024 : Nil

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Total Deposits of twenty largest depositors	3,229.25	963.28
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC.	28.3%	13.4%

b) Concentration of Advances

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Total Advances to twenty largest borrowers	1,322.63	1,354.63
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.1%	1.3%

c) Concentration of Exposures

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to twenty largest borrowers / customers	1,322.63	1,354.63
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.1%	1.3%

d) Concentration of NPAs

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to top four NPA accounts	24.65	18.42

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Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) (Continued)**

XII) Concentration of Deposits, Advances, Exposures and NPAs *(Continued)*

e) Sector-wise NPAs *

Particulars	As at March 31, 2025	As at March 31, 2024
	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
i) Agriculture & allied activities	5.0%	4.5%
ii) Auto loans	3.7%	3.5%
iii) MSME	1.1%	0.9%
iv) Corporate borrowers	0.8%	0.8%
v) Unsecured personal loans	2.3%	2.2%
vi) Other personal loans	-	-
vii) Services	-	-

* NPA represent stage 3 assets

f) Movement of NPAs *

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
i) Net NPAs to Net Advances (%)	1.84%	1.28%
ii) Movement of NPAs (Gross)		
(a) Opening balance	3,490.90	3,717.10
(b) Additions during the year	2,973.04	2,214.13
(c)Reductions during the year	(2,050.00)	(2,440.33)
(d)Closing balance	4,413.94	3,490.90
iii) Movement of Net NPAs		
(a) Opening balance	1,285.96	1,507.08
(b) Additions during the year	1,630.66	774.62
(c) Reductions during the year	(760.73)	(995.74)
(d)Closing balance	2,155.89	1,285.96
iv) Movement of provisions for NPAs		
(a) Opening balance	2,204.94	2,210.03
(b)Provisions made during the year	1,342.37	1,439.50
(c)Write-off / write-back of excess provisions	(1,289.27)	(1,444.59)
(d)Closing balance	2,258.04	2,204.94

* NPA represent stage 3 assets

XIII Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in crore

Name of the Joint Venture/ Subsidiary	Other Partner in the JV / Subsidiary	Country	Total Assets As at March 31, 2025	Total Assets As at March 31, 2024
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	287.95	204.38
Mahindra Finance USA, LLC*	De Lage Landen Financial Services	USA	4,653.59	4,795.35

*For financial reporting purpose, Mahindra Finance USA, LLC is considered an associate

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Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) (Continued)**

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

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2025

Rs. in crore

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	29.01	444.86	525.65	160.33	245.71	1,041.29	1,802.94	6,092.00	1,062.36	-	11,404.15
Advances	1,263.44	1,869.91	1,829.81	4,063.99	4,183.83	10,190.74	17,737.94	53,247.59	18,108.83	3,717.94	1,16,214.02
Investments	785.40	8.89	597.48	1,110.69	983.72	645.72	973.51	1,758.14	713.39	2,823.54	10,400.48
Borrowings	1,333.53	191.39	3,977.45	3,031.91	4,394.10	7,661.11	12,639.18	41,650.92	12,261.88	7,305.76	94,447.23
Foreign Currency liabilities	-	200.12	40.98	-	-	23.62	1,647.66	5,109.71	-	-	7,022.09

As at March 31, 2024

Rs. in crore

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	27.01	28.35	86.45	134.06	176.32	553.24	1,723.83	3,735.36	1,079.56	-	7,544.18
Advances	897.06	911.12	5058.09	3443.27	3509.18	8,491.03	14,858.08	44,294.00	15,741.87	1,991.48	99,195.18
Investments	524.90	-	326.30	322.18	153.12	-	1,072.02	2,812.22	1,422.11	3,017.97	9,650.82
Borrowings	2,466.16	508.77	945.88	2544.94	5760.12	5,647.18	11,402.99	36,758.45	9,980.68	8,262.62	84,277.79
Foreign Currency liabilities	-	203.06	-	-	-	33.30	181.80	1,738.45	-	-	2,156.61

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Rs. in crore

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time)

XVI) Exposure

a) Exposure to Real Estate Sector

Rs. in crore

Category	As at March 31, 2025	As at March 31, 2024
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	1,291.89	630.15
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.	50.01	50.17
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	17.93	25.91
Total Exposure to Real Estate Sector	**1,359.83**	**706.23**

b) Exposure to Capital Market

Rs. in crore

	Particulars	As at March 31, 2025	As at March 31, 2024
(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*	126.85	42.63
(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		**126.85**	**42.63**

*Excludes investments in its subsidiaries, associates and joint ventures.

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs in crore

c) **Sectoral exposure**

Rs. in crore

Sectors	As at March 31, 2025			As at March 31, 2024		
	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	17,098.73	901.42	5.3%	15,588.35	720.86	4.6%
2) Industry						
i) Micro and Small	2,796.47	34.94	1.2%	2,070.57	17.50	0.8%
ii) Medium	1,219.63	1.52	0.1%	554.70	1.29	0.2%
iii) Large	669.92	0.15	0.0%	749.08	0.01	0.0%
iv) Others - Trade advances to Dealers	3,197.47	8.39	0.3%	2,879.10	6.87	0.2%
Total of Industry	**7,883.49**	**45.00**	**0.6%**	**6,253.45**	**25.66**	**0.4%**
3) Services						
i) Transport Operators	23,405.07	1,120.30	4.8%	29,340.33	1,259.11	4.3%
ii) Others	1,462.52	28.46	1.9%	1,438.06	24.31	1.7%
Total of Services	**24,867.59**	**1,148.76**	**4.6%**	**30,778.39**	**1,283.42**	**4.2%**
4) Retail / Personal loans						
i) Consumer Durables	53.31	0.23	0.4%	78.38	5.59	7.1%
ii) Vehicle/Auto Loans	67,308.79	2,257.09	3.4%	47,930.09	1,410.28	2.9%
iii) Personal loans	672.81	16.70	2.5%	427.72	5.52	1.3%
iv) Others	1,788.29	44.74	2.5%	1,540.39	39.57	2.6%
Total of Retail /Personal loans	**69,823.20**	**2,318.76**	**3.3%**	**49,976.58**	**1,460.96**	**2.9%**
5) Others (if any; to specify)				-	-	
	1,19,673.01	**4,413.93**	**3.7%**	**1,02,596.77**	**3,490.90**	**3.4%**

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.

d) **Intra-group exposures**

Rs. in crore

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Total amount of intra-group exposures	1630.26	1532.87
ii) Total amount of top 20 intra-group exposures	1630.26	1532.87
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.25%	1.36%

e) **Unhedged foreign currency exposure**

Details of its unhedged foreign currency exposures :

As at March 31, 2025:Nil

As at March 31, 2024: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.

XVII) Related Party Disclosure (refer Annexure - 1)

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Rs in crore

XVIII) Disclosure of complaints

a) **Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

Sr no	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	405	158
2	Number of complaints received during the year	43174	17857
3	Number of complaints disposed during the year	40024	17610
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	3,555	405
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	1737	853
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	528	262
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	428	299
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	1
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

b) **Top five grounds of complaints received by the NBFCs from customers**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended March 31, 2025					
Loan and advances	122	25396	148%	1404	194
Levy of charges without prior notice/ excessive char	12	3908	364%	684	16
Staff behaviour	111	2583	1%	612	387
Fraud	42	1643	233%	447	259
Difficulty in operation of accounts	2	880	215%	45	22
Others	116	8764	123%	363	226
Total	405	43174	142%	3555	1,104
Year ended March 31, 2024					
Loan and advances	88	10238	-8%	122	7
Levy of charges without prior notice/ excessive char	1	843	-31%	12	-
Staff behaviour	46	2565	13%	111	16
Fixed deposit related	-	32	-35%	-	-
Difficulty in operation of accounts	-	279	1368%	2.00	-
Others	23	3900	115%	158	12
Total	158	17857	8%	405	35

XIX) 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.

XX) 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 March 31, 2024, 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.

XXI) Disclosure for NBFCs-UL

Mandatory listed within three years of identification as NBFC-UL - Not Applicable for the Company

XXII) Loan to Directors, Senior Officers and Relatives of Directors

	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i)	Directors and their relatives	-	-
ii)	Entities associated with directors and their relatives	-	-
iii)	Senior officers and their relatives	-	-

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Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time)**

XXIII) Public disclosure on liquidity risk :

a) **Funding Concentration based on significant counterparty (both deposits and borrowings)**

As at March 31, 2025

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crore)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	72,670.65	637.2%	62.8%

As at March 31, 2024

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crore)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	60,013.25	836.5%	61.90%

b) **Top 20 large deposits (amount in Rs. in crore and % of total deposits)**

As at March 31, 2025

Description	Amount (Rs. in crore)	% of Total deposits
Total for Top 20 large deposits	3,229.25	28.3%

As at March 31, 2024

Description	Amount (Rs. in crore)	% of Total deposits
Total for Top 20 large deposits	963.28	12.8%

c) **Top 10 borrowings (amount in Rs. in crore and % of total borrowings)**

As at March 31, 2025

Description	Amount (Rs. in crore)	% of Total borrowings
Total for Top 10 borrowings	59,289.58	52.53%

As at March 31, 2024

Description	Amount (Rs. in crore)	% of Total borrowings
Total for Top 10 borrowings	48,642.29	51.76%

d) **Funding Concentration based on significant instrument/product***

Sr. no.	Name of the instrument/product	As at March 31, 2025 Amount (Rs. in crore)	As at March 31, 2025 % of Total liabilities	As at March 31, 2024 Amount (Rs. in crore)	As at March 31, 2024 % of Total liabilities
1	Non-convertible debentures (Secured)	24,051.35	20.78%	22,814.91	23.43%
2	Term loans from banks (including FCNR loans)	52,998.12	45.79%	44,790.86	46.00%
3	External Commercial Borrowings	7,022.09	6.07%	2,156.61	2.21%
4	Associated liabilities in respect of securitization transactions	8,684.41	7.50%	5,597.66	5.75%
5	Triparty repo dealing and settlement (TREPs) against Government securiti	999.82	0.86%	1,534.71	1.58%
6	Deposits	11,404.15	9.85%	7,544.18	7.75%
7	Subordinated redeemable non-convertible debentures	5,529.57	4.78%	4,270.15	4.39%
8	Commercial Papers (Unsecured)	2,153.48	1.86%	4,882.12	5.01%
9	Inter-corporate deposits (ICDs)	-	-	-	0.00%
		1,12,842.99	97.50%	93,591.20	96.12%
	Funding Concentration pertaining to insignificant instruments/products	30.48	0.03%	387.38	0.40%
	Total borrowings under all instruments/products	**1,12,873.47**	**97.53%**	**93,978.58**	**96.52%**

*The amount stated in this disclosure is based on the audited financial statements for the years ended March 31, 2025 and March 31, 2024.

** Top counterparty and top 20 deposits are arrived excluding interest accrued.

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Rs. in crore

53 **Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) (Continued)**

XXIII) Public disclosure on liquidity risk : (continued)

e) **Stock Ratios**

As at March 31, 2025

Sr. no.	Name of the instrument/product	Amount (Rs. in crore)	% of total public funds	% of total liabilities	% of total assets
	a) Commercial papers (CPs)	2,153.48	1.91%	1.86%	1.59%
	b) Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
	c) Other short-term liabilities	4,224.93	3.74%	3.65%	3.12%

As at March 31, 2024

Sr. no.	Name of the instrument/product	Amount (Rs. in crore)	% of total public funds	% of total liabilities	% of total assets
	a) Commercial papers (CPs)	4,882.12	5.19%	5.01%	4.23%
	b) Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
	c) Other short-term liabilities	3,624.55	3.86%	3.72%	3.15%

f) **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, 2025, the Company maintained a liquidity buffer of approximately Rs.10,434 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.

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements
for year ended 31 March 2025

Rs. in crore

53 Annexure - 1
Related Party Disclosure for the year ended March 31, 2025

Sr No	Item/Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate*			5. Directors		
		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	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-41.00	21.64	65.19	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	64.50	210.80	210.80	10.00	165.40	165.40	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	1,084.10	1,084.10	-	9.52	9.52	-	406.35	406.35	-	-	-
6	Purchase of fixed/other asset	126.34	-	-	0.26	-	-	12.49	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	0.44	-	-	0.05	-	-	0.47	-	-	-	-	-	-	-	-
8	Interest paid	-	-	-	13.54	-	-	11.98	-	-	-	-	-	-	-	-
9	Interest received	2.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Others															
	- Dividend paid	405.97	-	-	0.61	-	-	-	-	-	-	-	-	-	-	-
	- Lease rental income	93.73	-	-	-	-	-	20.38	-	-	-	-	-	-	-	-
	- Subvention/Incentive	19.17	-	-	-	-	-	9.88	-	-	-	-	-	-	-	-
	- Other Transactions	53.43	22.44	-	27.61	1.63	-	178.60	24.96	-	1.05			-	-	-
	Total	701.26	22.44	-	65.56	1,318.17	1,360.09	243.81	199.88	174.92	1.05	406.35	406.35	-	-	-

Annexure - 1
Related Party Disclosure for the year ended March 31, 2025 *(Continued)*

Sr No	Item/Related Party	6. Relatives of Directors			5. Key Management Personnel			6. Relatives of Key Management Personnel			7. Others			Total		
		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	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-41.00	21.64	65.19
2	Deposits	-	-	-	-0.68	0.17	0.17	0.10	2.48	2.61	-	-	-	73.92	378.84	378.97
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	1,499.97	1,499.97
6	Purchase of fixed/other asset	-	-	-	-	-	-	-	-	-	-	-	-	139.09	-	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	0.96	-	-
8	Interest paid	-	-	-	0.06	-	-	0.18	-	-	-	-	-	25.76	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-	2.17	-	-
10	Others															
	- Dividend paid	-	-	-	1.02	-	-	0.00	-	-	-	-	-	407.60	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-	114.11	-	-
	- Subvention/Incentive	-	-	-	-	-	-	-	-	-	-	-	-	29.06	-	-
	- Other Transactions	-	-	-	11.44	-	-	-	-	-	-	-	-	280.31	49.03	-
														-	-	-
	Total	-	-	-	11.84	0.17	0.17	0.28	2.48	2.61	-		-	1,031.99	1,949.48	1,944.13

M. P. CHITALE & CO. MUMBAI * C.A. *

M M NISSIM & CO LLP FRN : 107122W / W100672 MUMBAI CHARTERED ACCOUNTANTS

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Rs. in crore

53 **Annexure - 1**
Related Party Disclosure for the year ended March 31, 2024

Sr No.	Item/Related Party	1. Parent (as per ownership or control)			2. Subsidiaries			3. Fellow Subsidiaries			4. Associate			5. Directors		
		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	Transaction value	Outstanding year end	Maximum O/s during the year
1	Borrowings	-	-	-	(37.50)	63.96	102.48	(340.00)	-	582.69	-	-	-	-	-	-
2	Deposits	(4.19)	-	4.51	(9.50)	155.46	163.06	135.65	146.50	147.15	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	206.39	1,084.10	1,084.10	-	9.52	9.52	-	406.35	406.35	-	-	-
6	Purchase of fixed/other assets	147.55	-	-	0.20	-	-	9.61	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	0.23	-	-	0.67	-	-	0.19	-	-	-	-	-	-	-	-
8	Interest paid	0.05	-	-	15.67	-	-	11.46	-	-	-	-	-	-	-	-
9	Interest received	1.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Others															
	- Dividend paid	386.64	-	-	1.08	-	-	-	-	-	-	-	-	-	-	-
	- Lease rental income	100.64	-	-	-	-	-	5.90	-	-	-	-	-	-	-	-
	- Subvention/Incentive	28.61	-	-	-	-	-	7.94	-	-	-	-	-	-	-	-
	- Other Transactions	55.62	12.15	-	12.30	3.26	-	104.21	9.41	-	0.65	-	-	-	-	-
	Total	717.00	12.15	4.51	189.52	1,306.78	1,349.64	(65.03)	165.43	739.36	0.65	406.35	406.35	-	-	-

Annexure - 1
Related Party Disclosure for the year ended March 31, 2024 (Continued)

Sr No.	Item/Related Party	6. Relatives of Directors			7. Key Management Personnel			8. Relatives of Key Management Personnel			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	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	-	-	-	-	-	-	-	-	-	-	-	-	(377.50)	63.96	685.17
2	Deposits	-	-	-	0.05	0.86	0.86	0.12	2.38	2.39	-	-	-	122.14	305.20	317.97
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-	-	-	206.39	1,499.97	1,499.97
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	157.36	-	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	1.09	-	-
8	Interest paid	-	-	-	0.06	-	-	0.16	-	-	-	-	-	27.60	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-	-	-	1.85	-	-
10	Others															
	- Dividend paid	-	-	-	1.00	-	-	0.00	-	-	-	-	-	388.73	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	-	-	-	-	106.54	-	-
	- Subvention/Incentive	-	-	-	-	-	-	-	-	-	-	-	-	36.56	-	-
	- Other Transactions	-	-	-	15.47	-	-	-	-	-	-	-	-	188.25	24.81	-
														-	-	-
	Total	-	-	-	16.59	0.86	0.86	0.28	2.38	2.39	-	-	-	859.01	1,893.95	2,503.11

Rs. in crore

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time)

Liquidity Coverage Ratio (LCR) for the year ended March 31, 2025

Rs. in crore

Particulars	Quarter ended March 31, 2025		Quarter ended December 31 2024		Quarter ended September 30 2024		Quarter ended June 30 2024	
	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)	5,643.06	5,542.23	4,956.00	4,459.00	4,871.84	4,378.70	5,164.29	4,642.96
(refer note 1 below)					-	-	-	-
Cash Outflows								
2 Deposits (for deposit taking companies)	387.45	387.45	202.00	202.00	176.71	176.71	155.05	155.05
3 Unsecured wholesale funding	2,091.64	2,091.64	2,581.00	2,581.00	1,513.54	1,513.54	1,824.54	1,824.54
4 Secured wholesale funding	2,877.80	2,877.80	1,708.00	1,708.00	1,885.25	1,885.25	1,491.18	1,491.18
5 Additional requirements, of which					-	-	-	-
i) Outflows related to derivative exposures and other collateral requirements	87.69	87.92	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products			-	-	-	-	-	-
iii) Credit and liquidity facilities			-	-	-	-	-	-
6 Other contractual funding obligations	1,308.33	1,308.33	1,758.00	1,758.00	1,828.02	1,828.02	1,891.30	1,891.30
7 Other contingent funding obligations	207.22	197.50	272.00	16.00	193.13	193.13	90.72	90.72
8 TOTAL CASH OUTFLOWS	6,960.13	6,950.64	6,521.00	6,265.00	5,596.65	5,596.65	5,452.78	5,452.78
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	1,084.62	1,084.62	4,646.20	4,646.20	4,310.19	4,310.19	6,103.32	6,103.32
11 Other cash inflows	11,217.86	11,217.86	4,426.61	3,803.35	3,417.34	3,417.34	1,175.32	1,175.32
12 TOTAL CASH INFLOWS	12,302.48	12,302.48	9,072.81	8,449.55	7,727.53	7,727.53	7,278.63	7,278.63
TOTAL ADJUSTED VALUES								
13 TOTAL HQLA	5,643.06	5,542.23	4,956.00	4,459.00	4,871.84	4,378.70	5,164.29	4,642.96
14 TOTAL NET CASH OUTFLOWS	(5,342.35)	(5,351.84)	(2,551.81)	(2,184.55)	(2,130.88)	(2,130.88)	(1,825.86)	(1,825.86)
25 % of Total Cash Out Flow	1,740.03	1,737.66	1,630.25	1,566.25	1,399.16	1,399.16	1,363.19	1,363.19
15 LIQUIDITY COVERAGE RATIO (%)	324%	319%	304%	285%	348%	313%	379%	341%

Rs. in crore

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) *(continued)*

Computation of Net cash outflows

Rs. in crore

	Net Cash outflows over the 30 days period	Quarter ended March 31, 2025 Total Unweighted Value (average)	Quarter ended March 31, 2025 Total Weighted Value (average)	Quarter ended December 31 2024 Total Unweighted Value (average)	Quarter ended December 31 2024 Total Weighted Value (average)	Quarter ended September 30 2024 Total Unweighted Value (average)	Quarter ended September 30 2024 Total Weighted Value (average)	Quarter ended June 30 2024 Total Unweighted Value (average)	Quarter ended June 30 2024 Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	8,004.15	7,993.23	7,499.15	7,204.75	6,436.15	6,436.15	6,270.70	6,270.70
B	Stressed Cash Inflows @ 75% of Inflows	9,226.86	9,226.86	6,804.61	6,337.16	5,795.65	5,795.65	5,458.98	5,458.98
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	(1,222.71)	(1,233.62)	694.54	867.59	640.50	640.50	811.72	811.72
D	25% of Stressed Cash Outflows	2,001.04	1,998.31	1,874.79	1,801.19	1,609.04	1,609.04	1,567.67	1,567.67
E	Greater Value of C or D	2,001.04	1,998.31	1,874.79	1,801.19	1,609.04	1,609.04	1,567.67	1,567.67
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1 / E)	282%	277%	264%	248%	303%	272%	329%	296%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on daily 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)

Rs. in crore

	Particulars	Quarter ended March 31, 2025 Total Unweighted Value (average)	Quarter ended March 31, 2025 Total Weighted Value (average)	Quarter ended December 31 2024 Total Unweighted Value (average)	Quarter ended December 31 2024 Total Weighted Value (average)	Quarter ended September 30 2024 Total Unweighted Value (average)	Quarter ended September 30 2024 Total Weighted Value (average)	Quarter ended June 30 2024 Total Unweighted Value (average)	Quarter ended June 30 2024 Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Cash	141.23	141.23	159.86	159.86	116.69	116.69	126.27	126.27
	- Government securities	4,829.66	4,829.66	4,445.51	4,000.96	4,402.60	3,962.34	4,687.63	4,218.87
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	350.00	297.50	350.52	297.94	352.56	299.68	350.39	297.83
	- Commercial Papers	322.17	273.84	-	-	-	-	-	-
II	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	-	-	-	-	-	-	-	-
	TOTAL	5,643.06	5,542.23	4,955.89	4,458.76	4,871.84	4,378.70	5,164.29	4,642.96

M M NISSIM & CO LLP * FRN : 107122W / W100672 MUMBAI * CHARTERED ACCOUNTANTS

M. P. CHITALE & CO. MUMBAI * C.A. *

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD * MUMBAI

Rs. in crore

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time)

Liquidity Coverage Ratio (LCR) for the year ended 31 March 2025

Rs. in crore

Particulars	Quarter ended March 31, 2024		Quarter ended December 31 2023		Quarter ended September 30 2023		Quarter ended June 30 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
(refer note 1 below)	-	-	-	-	-	-	-	-
Cash Outflows								
2 Deposits (for deposit taking companies)	117.50	117.50	144.92	144.92	163.70	163.70	172.94	172.94
3 Unsecured wholesale funding	1,433.15	1,433.15	856.29	856.29	956.20	956.20	869.62	869.62
4 Secured wholesale funding	1,675.10	1,675.10	1,058.74	1,058.74	1,249.03	1,249.03	1,397.62	1,397.62
5 Additional requirements, of which	-	-	-	-	-	-	-	-
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	2,029.11	2,029.11	1,745.90	1,745.90	1,743.28	1,743.28	1,952.53	1,952.53
7 Other contingent funding obligations	109.07	109.07	215.15	215.15	320.75	320.75	156.55	156.55
8 TOTAL CASH OUTFLOWS	**5,363.94**	**5,363.94**	**4,021.00**	**4,021.00**	**4,432.97**	**4,432.97**	**4,549.26**	**4,549.26**
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	5,671.24	5,671.24	6,271.58	6,271.58	5,925.09	5,925.09	5,024.14	5,024.14
11 Other cash inflows	849.23	849.23	880.79	880.79	888.20	888.20	745.38	745.38
12 TOTAL CASH INFLOWS	**6,520.47**	**6,520.47**	**7,152.37**	**7,152.37**	**6,813.29**	**6,813.29**	**5,769.52**	**5,769.52**
TOTAL ADJUSTED VALUES								
13 TOTAL HQLA	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93
14 TOTAL NET CASH OUTFLOWS	(1,156.53)	(1,156.53)	(3,131.37)	(3,131.37)	(2,380.32)	(2,380.32)	(1,220.26)	(1,220.26)
25 % of Total Cash Out Flow	1,340.98	1,340.98	1,005.25	1,005.25	1,108.24	1,108.24	1,137.31	1,137.31
15 LIQUIDITY COVERAGE RATIO (%)	401%	360%	566%	509%	455%	409%	514%	462%

M. M. NISSIM & CO LLP * FRN: 107122W/W100672 MUMBAI * CHARTERED ACCOUNTANTS

M. P. CHITALE & CO. MUMBAI * C.A. *

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. * MUMBAI

Rs. in crore

53 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended from time to time) *(continued)*

Computation of Net cash outflows

Rs. in crore

	Net Cash outflows over the 30 days period	Quarter ended March 31, 2024 Total Unweighted Value (average)	Quarter ended March 31, 2024 Total Weighted Value (average)	Quarter ended December 31 2023 Total Unweighted Value (average)	Quarter ended December 31 2023 Total Weighted Value (average)	Quarter ended September 30 2023 Total Unweighted Value (average)	Quarter ended September 30 2023 Total Weighted Value (average)	Quarter ended June 30 2023 Total Unweighted Value (average)	Quarter ended June 30 2023 Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	6,168.53	6,168.53	4,624.15	4,624.15	5,097.92	5,097.92	5,231.65	5,231.65
B	Stressed Cash Inflows @ 75% of Inflows	4,890.35	4,890.35	5,364.28	5,364.28	5,109.97	5,109.97	4,327.14	4,327.14
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	1,278.18	1,278.18	(740.13)	(740.13)	(12.05)	(12.05)	904.51	904.51
D	25% of Stressed Cash Outflows	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
E	Greater Value of C or D	1,542.13	1,542.13	1,156.04	1,156.04	1,274.48	1,274.48	1,307.91	1,307.91
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1 / E)	349%	313%	492%	443%	396%	356%	447%	402%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.

2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

4) Components of High Quality Liquid Assets (HQLA)

Rs. in crore

	Particulars	Quarter ended March 31, 2024 Total Unweighted Value (average)	Quarter ended March 31, 2024 Total Weighted Value (average)	Quarter ended December 31 2023 Total Unweighted Value (average)	Quarter ended December 31 2023 Total Weighted Value (average)	Quarter ended September 30 2023 Total Unweighted Value (average)	Quarter ended September 30 2023 Total Weighted Value (average)	Quarter ended June 30 2023 Total Unweighted Value (average)	Quarter ended June 30 2023 Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Cash	107.61	107.61	143.90	143.90	124.07	124.07	156.36	156.36
	- Government securities	4,917.56	4,425.80	5,194.90	4,675.41	4,565.56	4,109.00	5,321.93	4,789.74
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	350.39	297.83	350.39	297.83	351.47	298.75	366.87	311.84
	- Commercial Papers	-	-	-	-	-	-	-	-
II	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	-	-	-	-	-	-	-	-
	TOTAL	5,375.55	4,831.24	5,689.19	5,117.14	5,041.10	4,531.83	5,845.16	5,257.93

M M NISSIM & CO LLP * CHARTERED ACCOUNTANTS FRN : 107122W/W100672 MUMBAI

M.P. CHITALE & CO. MUMBAI * C.A. *

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD * MUMBAI

Rs. in crore

54 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year ended March 31, 2022, to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2 021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 5, 2021

Format - B: For the half year ended March 31, 2025

Rs. in crore

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	112.70	13.54	0.94	40.56	57.66
Corporate persons ^	4.70	-	-	4.70	-
Of which, MSMEs	-	-	-	-	-
Others -					-
- Vehicle loans for commercial purpose	145.49	13.04	2.04	58.99	71.42
Total	**262.89**	**26.58**	**2.98**	**104.25**	**129.08**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till September 30, 2021

Rs. in crore

54 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year ended March 31, 2022, to relieve COVID-19 pandemic related stress, the Company had invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

i) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2 021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May, 2021

Format - B: For the half year ended March 31, 2024

Rs. in crore

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the half-year (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year * (E)
Personal Loans	327.36	14.18	1.76	111.18	200.24
Corporate persons ^	21.85	-	-	6.33	15.52
Of which, MSMEs	-	-	-	-	-
Others -					-
- Vehicle loans for commercial purpose	469.85	17.23	6.40	176.62	269.60
Total	**819.06**	**31.41**	**8.16**	**294.13**	**485.36**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till September 30, 2021

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

55 Disclosures Pursuant To Master Direction – Reserve Bank Of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (As amended From Time To Time)

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 March 31, 2025

Rs . in crore

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	1,08,747.49	598.48	1,08,149.01	1,08,118.05	432.77	165.71
	Stage 2	6,511.58	602.48	5,909.10	4,813.37	19.26	583.22
Subtotal for standard		1,15,259.07	1,200.96	1,14,058.11	1,12,931.43	452.03	748.93
Non-Performing Assets (NPA)							
Substandard	Stage 3	2,587.43	924.28	1,663.15	4,226.39	438.85	485.43
Doubtful - up to 1 year	Stage 3	1,182.09	690.59	491.50	1,322.77	595.59	95.00
1 to 3 years	Stage 3	479.66	479.70	(0.04)	475.48	319.97	159.73
More than 3 years	Stage 3	1.22	1.16	0.06	0.94	0.93	0.23
Subtotal for doubtful		1,662.97	1,171.45	491.52	1,799.19	916.49	254.96
Loss	Stage 3	163.54	162.31	1.22	150.75	150.75	11.56
Subtotal for NPA	Stage 3	4,413.94	2,258.04	2,155.89	6,176.34	1,506.10	751.95
Subtotal for Business Assets		1,19,673.01	3,459.00	1,16,214.01	1,19,107.76	1,958.13	1,500.88
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	10.28	56.64	(46.35)	10.28	56.64	-
	Stage 2	1.33	0.02	1.30	1.33	0.02	-
	Stage 3	0.98	0.41	0.57	0.98	0.41	-
Subtotal		12.59	57.07	(44.47)	12.59	57.07	-
Total	**Stage 1**	**1,08,757.77**	**655.12**	**1,08,102.66**	**1,08,128.34**	**489.41**	**165.71**
	Stage 2	**6,512.91**	**602.50**	**5,910.41**	**4,814.70**	**19.28**	**583.22**
	Stage 3	**4,414.92**	**2,258.45**	**2,156.47**	**6,177.32**	**1,506.50**	**751.95**
	Total	**1,19,685.60**	**3,516.07**	**1,16,169.53**	**1,19,120.35**	**2,015.19**	**1,500.88**

Rs. in crore

55 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 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 *(Continued)***

Year ended March 31, 2024

Rs. in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Gross Carrying Amount as per IRACP	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3) - (4)		(6)	(7) = (4) - (6)
Performing Assets							
Standard	Stage 1	93,946.14	606.40	93,339.74	93,759.90	375.04	231.36
	Stage 2	5,159.73	590.25	4,569.48	3,983.02	16.37	573.88
Subtotal for standard		99,105.87	1,196.65	97,909.22	97,742.92	391.41	805.24
Non-Performing Assets (NPA)							
Substandard	Stage 3	1,551.19	663.18	888.01	2,438.39	275.85	387.33
Doubtful - up to 1 year	Stage 3	1,103.85	705.90	397.95	1,490.90	693.73	12.17
1 to 3 years	Stage 3	669.62	669.62	-	672.81	493.54	176.08
More than 3 years	Stage 3	5.63	5.63	-	5.63	5.59	0.04
Subtotal for doubtful		1,779.10	1,381.15	397.95	2,169.34	1,192.86	188.29
Loss	Stage 3	160.61	160.61	-	246.12	246.12	(85.51)
Subtotal for NPA		3,490.90	2,204.94	1,285.96	4,853.85	1,714.83	490.11
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	22.13	55.32	(33.18)	22.13	55.32	-
	Stage 2	2.28	0.05	2.23	2.28	0.05	-
	Stage 3	0.61	0.16	0.44	0.61	0.16	-
Subtotal		25.02	55.53	(30.51)	25.02	55.53	-
Total	**Stage 1**	93,968.27	661.72	93,306.56	93,782.03	430.36	231.36
	Stage 2	5,162.01	590.30	4,571.71	3,985.30	16.42	573.88
	Stage 3	3,491.51	2,205.10	1,286.40	4,854.46	1,714.99	490.11
	Total	1,02,621.79	3,457.12	99,164.67	1,02,621.79	2,161.77	1,295.35

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Rs. in crore

55 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 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 *(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 March 31, 2025 and March 31 2024, 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 March 31, 2025 and March 31 2024, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

iii) Policy for sales / transfers out of amortized cost business model portfolios

Sale/ transfer of portfolios out of amortized cost business model:
As a short-term financing arrangement, the Company has been transferring or selling certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. As a part of annual budgetary planning and with the objective of better liquidity and risk management, the Company, at the beginning of the year, obtains approval of Asset Liability Committee and Risk Management Committee of the Board of Directors for undertaking securitization transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

These transactions are carried out after complying with RBI guidelines on securitization of standard assets. The consideration received through such securitization transactions is utilized for funding regular vehicle loan disbursements to customers who service their loans through fixed instalments over a specified period of loan tenor. Besides using securitization as alternate financing tool, it is also being used as a effective Balance sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers.

When the assets in the form of loan receivables are sold / transferred to an SPV/Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows.

The Company remains exposed to credit risk, being the expected losses that will be incurred on the securitized loan portfolio to the extent of the credit enhancement provided. Any increase in losses as compared to the expected loss shall require the Company to present its credit enhancement / cash collateral to help compensate the investors. This is as per the requirement of the Reserve Bank of India. Thus, the Company as per Ind AS 109 has retained substantially all the risks and rewards of ownership of the financial asset.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Accordingly, these financial assets are not de-recognized by the Company from the financial statements prepared under Ind AS. Since the contractual terms of these financial assets give rise to cash flows, that are solely payments of principal and interest, on specified dates, these assets meet the SPPI criterion and are thus continued to be recognized in the books at amortized cost.

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Mahindra & Mahindra Financial Services Limited

Notes forming part of the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

56 During the year ended March 31, 2025, the Company has made a contribution of Rs. 21.00 crore to New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013 to enable Electoral Trust to make contributions to political party/parties duly registered with the Election Commission, in such manner and at such times as it may decide from time to time. This contribution was as per the provisions of section 182 of the Companies Act, 2013. There was no such contribution made during the year ended March 31, 2024.

57 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

58 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 58

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

M M NISSIM & CO LLP * FRN : 107122W / W100672 MUMBAI * CHARTERED ACCOUNTANTS

Sanjay Khemani
Partner
Membership No: 044577

For **M. P. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 101851W

M. P. CHITALE & CO. MUMBAI * C.A. *

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
April 22, 2025

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 22, 2025

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD * MUMBAI

M M Nissim & Co LLP
Chartered Accountants

Barodawala Mansion,
B-wing, 3rd Floor, 81
Dr. Annie Besant Road
Worli, Mumbai - 400 018

M. P. Chitale & Co.
Chartered Accountants

1st Floor, Hamam House,
Ambalal Doshi Marg,
Fort, Mumbai - 400 001

Independent Auditors' Report

To the Members of Mahindra & Mahindra Financial Services Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of **Mahindra & Mahindra Financial Services Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit after tax and total comprehensive income of its associate and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, 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

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of consolidated financial statements under the provisions of the Act and the Rules made

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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 along with the consideration of audit report of the other auditor referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2025. 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.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Key Audit Matters for Parent

Key Audit Matter	**How our audit addressed the key audit matter**
Impairment of loans and advances to customers (Refer Note 2 for material accounting policies and Note 50.2 for credit risk disclosures of the Standalone Financial Statements)	
As at March 31, 2025, the Parent has reported gross loan assets of ₹ 1,19,673.02 crores against which an impairment loss of ₹ 3,459 crores has been recorded. The Parent recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 - Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: ➢ ensuring completeness and accuracy of the data used to create assumptions in the model. ➢ determining the criteria for a significant increase in credit risk.	Our audit included assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Parent including the key inputs and assumptions; • Considered the Parent's accounting policies for estimation of Expected Credit Loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Obtained an understanding of the management's updated processes, systems and controls implemented in relation to impairment allowance process.

➢ factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Parent's internally developed statistical models and other historical data. **Disclosure** The disclosures regarding the Parent's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to Non-Performing Assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Accuracy of the computation of the ECL estimate including reasonableness of the methodology and assumption used to determine macro-economic overlays; • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets.; • Assessed the critical assumptions and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 50 "Financial Risk Management" disclosed in the Standalone financial statements in accordance with the applicable

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	accounting standards and related RBI circulars and Resolution Framework.
Information Technology and General Controls	
The Parent is highly dependent upon its Information Technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed daily basis as part of the operations, which impacts key financial accounting and reporting. The Parent has put in place the IT General Controls and application controls to ensure that the information produced by the Parent is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the of the financial statements. Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.	Our audit procedures for assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following: • Obtained an understanding of the Parent's key IT systems, IT General Controls which covered access controls, program/ system changes, program development and computer operations i.e., job processing, data/ system backup and incident management and application controls relevant to our audit. • Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure 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 re-certified during the period of audit. • Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll, borrowings and investment among others, for evaluating completeness and accuracy and; • Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data.

	• We have also relied on IS and other technology audits conducted during the year.

B. Key Audit Matters for Subsidiary Companies – Key Matters reported by the Auditors of Mahindra Rural Housing Finance Ltd. for the year ended March 31, 2025

Key Audit Matter	Auditor's Response
Impairment of loans and advances	
The subsidiary has recognized impairment loss allowance of Rs. 460.29 crores in its Statement of Profit and Loss during the year 2024- 25. The subsidiary has maintained impairment provisions amounting to Rs. 609.78 crores as at March 31, 2025. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using Expected Credit Loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the subsidiary's estimation of ECLs are: • Data inputs – The application of ECL model requires several data inputs. This increases the risk that the data has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate. • Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Subsidiary's modelling approach. • Economic scenarios – Ind AS 109 requires the Subsidiary to measure ECLs on an unbiased forward- looking basis	Key audit procedures included: • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. Tested the relevant general IT and application controls over key systems used in the impairment loss allowance process. • Assessed the design and implementation of controls in respect of the Subsidiary's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any. • Evaluated whether the methodology applied by the Subsidiary is in compliance of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, checking mathematical accuracy of the workings. • Sample testing over key inputs, data and assumptions impacting ECL calculations

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reflecting a range of future economic conditions. During the year, the Subsidiary has engaged an industry expert to assist it in review and updation of the ECL model. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties and other macro-economic factors, which are often outside the control of the Subsidiary. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, the subsidiary's auditors have considered this as a key audit matter.	to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights and model assumptions applied. • Testing the 'Governance Framework' over validation, implementation and model monitoring in line with the RBI framework. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient. • Obtained management representations wherever considered necessary.
IT Systems and Controls	
The Subsidiary has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these applications is critical for accurate compilation of financial information. Further, the Subsidiary's financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Subsidiary's auditors have identified 'IT systems and controls' as key audit matter because of the high-level automation, number of systems being used by the management and the inherent risks/ complexity of the IT architecture.	The Subsidiary's auditor performed the following key audit procedures: • Performed control testing on user access management, change management, segregation of duties, system and system application controls over key financial accounting and reporting systems. • Tested key controls operating over information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • Tested the design and operating effectiveness of key controls over user access management which includes granting access / right, new user creation, removal of user rights.

Information Other than the Consolidated Financial Statements and Auditor's report thereon

6. The Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Parent's Boards Report

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including annexures to the Boards Report (including annexures thereto) 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 this 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.

7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the 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, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the the Parent's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other accounting principles generally accepted in India. The respective Board of Directors of the entities included in the Group are responsible.

9. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Consolidated 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 Board of Directors of the Parent, as aforesaid.

10. In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies in the Group, its associate and joint ventures are responsible

for assessing the ability of respective companies, its associate and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group, its associate and joint ventures are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. 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 Standards on Auditing 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, specified under section 143(10) of the Act, we exercise professional judgement 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;

    - 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 the Board of Directors 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, its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

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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, its associate and joint ventures to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, its associate and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. 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.

15. 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 financial year ended March 31, 2025 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 Matter

16. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 9,454.44 crores as at March 31, 2025, total revenue (before consolidation adjustments) of Rs. 662.96 crores and total net loss after tax (before

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consolidation adjustments) of Rs. (133.33) crores and net cash inflows of Rs. 163.69 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of net (loss) after tax of Rs. (4.89) crores and total comprehensive loss of Rs. (4.99) crores for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of two joint ventures. One joint venture has been audited by other auditors and the other has been audited by M. P. Chitale & Co., one of the joint auditors of the Parent, whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the report of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

18. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 70.11 crores and total comprehensive income of Rs. 70.11 crores for the year ended March 31, 2025, in respect of an associate, based on their financial statements which have not been audited by their auditors. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

    Our opinion on the consolidated financial statements above and our report on "Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

19. These Consolidated Financial Statements include the figures for the year ended March 31, 2024 which were audited by predecessor auditors who expressed an unmodified opinion as relevant on those Consolidated Financial Statements vide their audit report dated May 04, 2024. Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

20. As required by Section 143(3) of the Act 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;

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(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 and the report of the other auditor, except for the matters stated in paragraph 18(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

(c) The Consolidated Financial Statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the IND AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representation received from the directors of the Parent, and taken on records by the Board of Directors of the Parent and the records of the statutory auditors of its subsidiary companies incorporated in India, none of the directors are disqualified as on March 31, 2025 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 of the Parent and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in Annexure I wherein we have expressed an unmodified opinion; and;

(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 to its directors during the year is in accordance with the provisions of section 197 of the Act. Based on auditor's report of respective subsidiary companies and joint ventures incorporated in India, the company has paid remuneration to its directors during the year in accordance with the provisions of Section 197 of the Act;

(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 and based on the consideration of report of the other auditor on the separate financial statements of the subsidiary as noted in other matter paragraph:

i. The Consolidated Financial Statements discloses the impact of pending litigations the consolidated financial position of the Group as detailed in Note 44 to the Consolidated Financial Statement;

ii. The Group has made provision as on March 31, 2025 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term

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contracts including derivative contracts as detailed in Note 47 to the Consolidated Financial Statement;

iii. During the year, the Parent Company, its subsidiary companies and joint venture companies incorporated in India, has regularly transferred the required amounts to the Investor Education and Protection Fund as detailed in Note 20 to the Consolidated Financial Statements.

iv. (a) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as disclosed in Note 37(vi) to the Consolidated Financial Statement;

(b) The respective Managements of the Parent and its subsidiaries and joint ventures which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts no funds(which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as disclosed in Note 37(vi) to the Consolidated Financial Statement;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representation under

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sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 23 to the Consolidated Financial Statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Parent has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of customer masters in two accounting software wherein earlier value is not retained, databases maintained in two accounting software where the audit trail feature was not enabled for part of the year and five accounting software where the audit trail feature at the database level (DML logs) was not enabled throughout the year to log any direct data changes. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid masters and databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise. Additionally, the audit trail has been preserved by the Parent as per the statutory requirements for record retention.

Based on the examination which included test checks performed by the respective auditors of subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act, the Subsidiary companies and joint ventures have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except for the below mentioned exceptions by one of the subsidiary company's auditor.

Based on our examination, which included test checks, the Subsidiary has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except that the audit trail log for any change at direct data base level is not preserved for the period April 2024 to September 2024. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with in respect of accounting software. The Subsidiary has not preserved audit trail logs for the previous year at a database level. Except these exceptions, the audit trail log has been preserved by the Subsidiary in accordance with statutory record retention requirements.

21. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies Auditor's Report Order, 2020 ("CARO"/ "the Order") issued by the Central

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Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements, except for the following in the Parent's Standalone Financial Statements.

a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company. 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.

   The following undisputed amounts payable in respect of Provident Fund are in arrears as at March 31, 2025, for a period of more than six months from the date they became payable:

Name of the Statute	**Nature of the Dues**	**Amount due in Rs.**	**Period to which the amount relates**	**Due Date**	**Date of payment (if paid)**	**Remarks**
Provident Fund	PF Contribution	14,85,672	April 2022 – September 2024	Various due dates	-	Due to pending Aadhar Seeding of employees

b. To the best of our knowledge, report under sub-section (12) of section 143 of the Companies Act has been filed by the predecessor Joint Statutory Auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government on June 12, 2024.

For M M Nissim & Co. LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

FRN : 107122W / W100672 MUMBAI

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDN5486

Place: Mumbai
Date: April 22, 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

MUMBAI

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNT7506

Place: Mumbai
Date: April 22, 2025

Annexure "I"

Independent Auditor's 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')

referred to in paragraph 18 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra & Mahindra Financial Services Ltd of even date:

In conjunction with our audit of the Consolidated Financial Statements of the Mahindra & Mahindra Financial Services Ltd (hereinafter referred to as "Parent"), its subsidiary companies, and joint ventures which are companies incorporated in India, as of March 31, 2025, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Group, as at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, its subsidiary companies, and joint ventures which are companies incorporated in India are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on internal control over financial reporting criteria established by the Parent considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 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 Act.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

Our responsibility is to express an opinion on the internal financial controls of the Parent and its subsidiary companies and joint ventures which are companies incorporated in India, with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements, and Guidance Note issued by the ICAI 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 the Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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M. P. CHITALE & CO. MUMBAI C.A.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to these 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.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

M M NISSIM & CO LLP * CHARTERED ACCOUNTANTS FRN : 107122W/W100672 MUMBAI

M. P. CHITALE & CO. MUMBAI * C.A. *

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, and joint ventures, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system with reference to these Consolidated Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal financial controls established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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 six subsidiary companies and two joint ventures, which are company incorporated in India, is based solely on the corresponding report of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For M M Nissim & Co. LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

Sanjay Khemani
Partner
Membership No.: 044577
UDIN: 25044577BMOBDN5486

Place: Mumbai
Date: April 22, 2025

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 25041037BMLWNT7506

Place: Mumbai
Date: April 22, 2025

Mahindra & Mahindra Financial Services Limited

Consolidated Balance Sheet
as at March 31, 2025

Rs. in crore

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	1,830.25	903.54
b) Bank balance other than (a) above	4	4,016.95	3,171.55
c) Derivative financial instruments	5	30.95	-
d) Receivables			
i) Trade receivables	6	246.69	173.35
ii) Other receivables		-	-
e) Loans	7	1,23,513.56	1,06,343.96
f) Investments			
i) Investments accounted using Equity Method	8 (i)	1,106.19	1,019.43
ii) Other investments	(ii)	9,483.60	8,579.03
g) Other financial assets	9	262.84	251.58
		1,40,491.03	1,20,442.44
Non-financial Assets			
a) Current tax assets (Net)		736.36	733.47
b) Deferred tax Assets (Net)	10 (i)	828.55	801.80
c) Property, plant and equipment	11 (a)	1,027.13	982.97
d) Capital work-in-progress	11 (b)	0.52	0.15
e) Intangible assets under development	12 (a)	65.64	105.44
f) Other intangible assets	12 (b)	179.82	24.99
g) Other non-financial assets	13	776.21	624.53
		3,614.23	3,273.35
	Total Assets	1,44,105.26	1,23,715.79
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	391.61	335.27
b) Payables	15		
I) Trade Payables			
i) total outstanding dues of micro enterprises and small enterprises		0.33	0.42
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,440.32	1,678.60
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		2.71	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		17.87	61.71
c) Debt Securities	16	29,861.90	30,984.91
d) Borrowings (Other than Debt Securities)	17	71,753.53	56,943.87
e) Deposits	18	11,373.97	7,533.19
f) Subordinated Liabilities	19	6,103.84	4,753.46
g) Other financial liabilities	20	1,042.44	877.87
		1,21,988.52	1,03,172.10
Non-Financial Liabilities			
a) Current tax liabilities (Net)		82.22	128.60
b) Provisions	21	256.74	254.73
c) Other non-financial liabilities	22	204.80	185.50
		543.76	568.83
EQUITY	23		
a) Equity Share Capital		246.98	246.88
b) Other Equity		21,282.48	19,686.37
Equity attributable to owners of the Company		21,529.46	19,933.25
Non-controlling interests		43.52	41.61
		21,572.98	19,974.86
	Total Liabilities and Equity	1,44,105.26	1,23,715.79

The accompanying notes form an integral part of the consolidated financial statements — *1 to 57*

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

M M NISSIM & CO LLP FRN : 107122W / W100672 MUMBAI CHARTERED ACCOUNTANTS

For M P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037
Mumbai
April 22, 2025

M. P. CHITALE & CO. MUMBAI C.A.

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Mumbai
April 22, 2025

Brijbala Batwal
Company Secretary
Membership No.F5220

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Mahindra & Mahindra Financial Services Limited

Consolidated Statement of profit and loss
for the period ended March 31, 2025

Rs. in crore

	Particulars	Note	Period ended March 31, 2025	Period ended March 31, 2024
	Revenue from operations			
	i) Interest income	24	16,566.40	14,412.33
	ii) Dividend income		-	-
	iii) Rental income		153.45	115.46
	iv) Fees, charges and commission income	25	527.87	184.32
	v) Net gain on fair value changes	26	21.97	27.08
	vi) Sale of services	27	1,191.51	1,057.66
	vii) Net gain on derecognition of financial instruments under amortized cost category		1.90	-
I	**Total Revenue from operations**		18,463.10	15,796.85
II	Other income	28	67.36	173.47
III	**Total income (I+II)**		18,530.46	15,970.32
	Expenses			
	i) Finance costs	29	8,415.43	6,959.20
	ii) Fees and commission expense		1,045.23	867.84
	iii) Impairment on financial instruments	30	2,085.36	1,955.75
	iv) Employee benefits expenses	31	2,354.94	2,261.44
	v) Depreciation, amortization and impairment	32	321.21	274.85
	vi) Others expenses	33	1,346.61	1,119.17
IV	**Total expenses**		15,568.78	13,438.25
V	**Profit before exceptional items, share of profit of associate and joint venture and tax (III-IV)**		2,961.68	2,532.07
VI	Exceptional items		-	-
VII	Share of Profit of Associate and Joint Venture		65.23	56.11
VIII	**Profit before tax (V +VI + VII)**		3,026.91	2,588.18
IX	**Tax expense :**	9 (ii)		
	i) Current tax		820.93	716.10
	ii) Deferred tax		(54.89)	(70.97)
			766.04	645.13
X	**Profit for the year (VIII-IX)**		2,260.87	1,943.05
XI	**Other Comprehensive Income (OCI)**			
	(A) (i) Items that will not be reclassified to profit or loss			
	-Remeasurement gain / (loss) on defined benefit plans		(7.49)	(8.81)
	-Net gain / (loss) on equity instruments through OCI		84.26	-
	- Share of other comprehensive income / (loss) of equity accounted investees		(0.10)	(0.15)
	(ii) Income tax impact thereon	9 (iii)	(19.33)	2.23
	Subtotal (A)		57.34	(6.73)
	(B) (i) Items that will be reclassified to profit or loss			
	-Exchange differences in translating the financial statements of foreign operations		3.36	8.13
	-Net gain / (loss) on debt instruments through OCI		97.38	71.98
	-Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(62.23)	(3.38)
	-Share of other comprehensive income / (loss) of equity accounted investees		21.64	10.93
	(ii) Income tax impact thereon	9 (iii)	(8.85)	(17.26)
	Subtotal (B)		51.30	70.40
	Other Comprehensive Income (A + B)		108.64	63.67
XII	**Total Comprehensive Income for the year (X + XI)**		2,369.51	2,006.72
	Profit for the year attributable to:			
	Owners of the Company		2,261.87	1,932.69
	Non-controlling interests		(1.00)	10.36
			2,260.87	1,943.05
	Other Comprehensive Income for the year attributable to:			
	Owners of the Company		107.23	60.26
	Non-controlling interests		1.41	3.41
			108.64	63.67
	Total Comprehensive Income for the year attributable to:			
	Owners of the Company		2,369.10	1,992.95
	Non-controlling interests		0.41	13.77
			2,369.51	2,006.72
XIII	Earnings per equity share (Face value Rs.2/- per equity share)	34		
	Basic (Rupees)		18.32	15.66
	Diluted (Rupees)		18.31	15.65
	The accompanying notes form an integral part of the consolidated financial statements.	1 to 57		

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

M M NISSIM & CO LLP FRN : 107122W / W100672 MUMBAI CHARTERED ACCOUNTANTS

Sanjay Khemani
Partner
Membership No: 044577

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

For M P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037
Mumbai
April 22, 2025

M. P. CHITALE & CO. MUMBAI C.A.

Pradeep Kumar Agrawal
Chief Financial Officer

Mumbai
April 22, 2025

Brijbala Batwal
Company Secretary
Membership No.F5220

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Mahindra & Mahindra Financial Services Limited

Consolidated Statement of Changes in Equity

as at March 31, 2025

Rs. in crore

A. Equity Share Capital

Rs. in crore

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at April 1, 2023	**246.72**
Changes due to prior period errors	-
Restated balance as at April 1, 2023	**246.72**
Changes during the year:	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 35a)	0.16
Balance as at March 31, 2024	**246.88**
Balance as at April 1, 2024	**246.88**
Changes due to prior period errors	-
Restated balance as at April 1, 2024	**246.88**
Changes during the year:	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 35a)	0.10
Balance as at March 31, 2025	**246.98**

B. Other Equity

	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	Equity instruments through OCI	Effective portion of cash flow hedges	Foreign Currency Translation Reserve	Total Other Equity	Non-controlling Interests	Total
Balance as at April 1, 2023	**2,828.10**	**50.00**	**7,170.35**	**813.83**	40.19	**7,417.35**	(125.84)	**21.47**	(4.74)	**102.67**	**18,313.37**	**141.35**	**18,454.72**
Changes in accounting policy/prior period errors											-		-
Restated balance as at April 1, 2023											-		-
Profit for the year						1,932.69	-	-	-	-	1,932.69	10.36	1,943.05
Other Comprehensive Income						(6.71)	53.85	-	(2.54)	15.66	60.26	3.41	63.67
Total Comprehensive Income	-	-	-	-	-	1,925.98	53.85	-	(2.54)	15.66	1,992.95	13.77	2,006.72
Dividend paid on equity shares (including tax thereon)						(740.23)					(740.23)	-	(740.23)
Transfers to Securities premium on exercise of employee stock options			1.94		-						1.94		1.94
Securities premium on shares allotted to ESOP Trust through Rights Issue			13.77		(13.77)						-		-
Employee stock options expired				0.25	(0.25)						-		-
Share based payment expense					4.28						4.28		4.28
Transfers to Statutory reserves	352.87					(352.94)					(0.07)	-	(0.07)
Changes in Group's Interest						114.13					114.13	(113.51)	0.62
Gross obligation at fair value to acquire non-controlling interest						-					-		-
Balance as at March 31, 2024	**3,180.97**	**50.00**	**7,186.06**	**814.08**	30.45	**8,364.29**	(71.99)	**21.47**	(7.28)	**118.33**	**19,686.37**	**41.61**	**19,727.98**

Mahindra & Mahindra Financial Services Limited

Consolidated Statement of Changes in Equity *(Continued)*
as at March 31, 2025

Rs. in crore

B. Other Equity *(Continued)*

Particulars	Reserves and Surplus						Item of Other Comprehensive Income				Total Other Equity	Non-controlling Interests	Total
	Statutory reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Foreign Currency Translation Reserve			
Balance as at April 1, 2024	**3,180.97**	**50.00**	**7,186.06**	**814.08**	**30.45**	**8,364.28**	**(71.99)**	**21.47**	**(7.28)**	**118.33**	19,686.37	41.61	19,727.98
Changes in accounting policy/prior period errors											-		-
Restated balance as at April 1, 2024											-		-
Profit for the year						2,261.87	-	-	-	-	2,261.87	(1.00)	2,260.87
Other Comprehensive Income						(5.71)	72.86	63.05	(46.57)	23.60	107.23	1.41	108.64
Total Comprehensive Income	-	-	-	-	-	2,256.16	72.86	63.05	(46.57)	23.60	2,369.10	0.41	2,369.51
Dividend paid on equity shares (including tax thereon)						(777.78)					(777.78)	-	(777.78)
Transfers to Securities premium on exercise of employee stock options			8.22		(8.22)						-		-
Securities premium on shares allotted to ESOP Trust through Rights Issue			1.12		-						1.12		1.12
Employee stock options expired				0.42	(0.42)						-		-
Share based payment expense					4.31						4.31		4.31
Transfers to Statutory reserves	469.13					(469.13)					-	-	-
Changes in Group's Interest						(0.64)					(0.64)	1.50	0.86
Gross obligation at fair value to acquire non-controlling interest						-					-		-
Balance as at March 31, 2025	**3,650.10**	**50.00**	**7,195.40**	**814.50**	**26.12**	**9,372.89**	**0.87**	**84.52**	**(53.85)**	**141.93**	**21,282.48**	**43.52**	**21,326.00**

The accompanying notes 1 to 57 form an integral part of the consolidated financial statements.

In terms of our report attached.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

M M NISSIM & CO LLP * CHARTERED ACCOUNTANTS * FRN : 107122W / W100672 MUMBAI

Sanjay Khemani
Partner
Membership No: 044577

For M P. Chitale & Co.
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

M. P. CHITALE & CO. MUMBAI * C.A. *

Mumbai
April 22, 2025

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. * MUMBAI

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 22, 2025

Mahindra & Mahindra Financial Services Limited

Consolidated Statement of Cash Flows

for the period ended March 31, 2025

Rs. in crore

Particulars	Period ended March 31, 2025	Period ended March 31, 2024
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	**2,961.68**	2,532.07
Adjustments for:		
Depreciation, amortization and impairment	**321.20**	274.85
Impairment on financial instruments (excluding bad debts and write offs)	**574.20**	305.60
Bad debts and write offs	**1,558.91**	1,714.89
Interest expense	**8,561.85**	6,934.79
Interest income from loans	**(15,687.77)**	(13,573.21)
Interest income from other deposits with banks	**(318.80)**	(266.11)
Net (Gain) / loss on fair value of derivative financial instruments	**(107.25)**	11.05
Unrealized foreign exchange (Gain)/loss	**37.74**	(76.49)
Share based payments to employees	**5.90**	5.90
Net (Gain)/loss on fair value changes	**(2.37)**	(3.59)
Interest income on investments	**(524.37)**	(552.06)
Dividend income	-	-
Net gain on derecognition of property, plant and equipment	**(4.41)**	(6.97)
Net (gain) / loss on sale of investments	**(13.28)**	0.86
Operating profit / (loss) before working capital changes	**(2,636.77)**	**(2,698.42)**
Adjustments for changes in working capital -		
Loans	**(18,141.35)**	(22,370.62)
Trade receivables	**(68.30)**	(71.41)
Other financial assets	**(24.37)**	(0.75)
Other financial liabilities	**31.96**	37.39
Other non-financial assets	**(145.23)**	(217.23)
Trade Payables	**(191.61)**	415.23
Other non-financial liabilities	**(13.54)**	72.52
Derivative financial instruments	**131.08**	145.10
Provisions	**(8.06)**	(61.06)
Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(21,066.19)**	**(24,749.25)**
Interest paid	**(6,522.04)**	(6,925.23)
Interest received from loans	**12,856.58**	14,052.60
Cash generated from / (used in) operations	**(14,731.65)**	**(17,621.88)**
Income taxes paid (net of refunds)	**(870.23)**	(826.67)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(15,601.88)**	**(18,448.55)**
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment and intangible assets	**(441.89)**	(323.30)
Proceeds from sale of Property, plant and equipment	**69.10**	52.78
Purchase of investments measured at amortized cost	**(4,076.29)**	(3,230.91)
Proceeds from sale of investments measured at amortized cost	**4,011.31**	3,464.70
(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	**124.98**	(124.98)
Purchase of investments measured at FVOCI	-	(167.41)
Proceeds from sale of investments measured at FVOCI	**476.39**	445.26
Purchase of investments measured at FVTPL	**(18,373.51)**	(3,691.29)
Proceeds from sale of investments measured at FVTPL	**17,126.91**	3,933.38
Consideration received on partial disposal of subsidiary,	-	(206.39)
Proceeds from / (Investments in) term deposits with banks (net)	**(843.82)**	1,770.78
Dividend income received	-	-
Interest received from other deposits with banks	**324.80**	219.11
Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	**525.22**	528.52
Change in Earmarked balances with banks	**(0.09)**	0.03
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**(1,076.89)**	**2,670.28**

M.M. NISSIM & CO LLP * CHARTERED ACCOUNTANTS * FRN: 107122W/W100672 MUMBAI

M.P. CHITALE & CO. * C.A. * MUMBAI

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD * MUMBAI

Mahindra & Mahindra Financial Services Limited

Consolidated Statement of Cash Flows *(Continued)*

for the period ended March 31, 2025

Rs. in crore

Particulars	Period ended March 31, 2025	Period ended March 31, 2024
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings through Debt Securities	**28,723.60**	19,552.48
Repayment of borrowings through Debt Securities	**(29,913.08)**	(17,580.68)
Proceeds from Borrowings (Other than Debt Securities)	**42,918.51**	36,804.26
Repayment of Borrowings (Other than Debt Securities)	**(28,250.28)**	(23,934.92)
Proceeds from borrowings through Subordinated Liabilities	**1,600.00**	700.00
Repayment of borrowings through Subordinated Liabilities	**(284.04)**	(140.15)
(Decrease) / Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	**-**	(169.97)
Increase / (decrease) in Public deposits (net)	**3,703.24**	1,708.98
Payments of lease liability	**(114.84)**	(105.22)
Dividend paid	**(777.78)**	(739.88)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**17,605.33**	**16,094.90**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**926.56**	**316.63**
Cash and Cash Equivalents at the beginning of the year	**903.54**	**586.53**
Unrealised gain/(loss) on foreign currency cash and cash equivalents	0.15	0.38
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	**1,830.25**	**903.54**
Components of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the year		
- Cash on hand	**58.99**	65.35
- Cheques and drafts on hand	**16.28**	27.92
- Balances with banks in current accounts	**340.57**	262.89
-Term deposits with original maturity up to 3 months	**1,412.00**	547.38
-Interest accrued on Term deposits	**2.41**	-
Total	**1,830.25**	**903.54**

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 **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

M M NISSIM & CO LLP
FRN : 107122W / W100672
MUMBAI
CHARTERED ACCOUNTANTS

For **M P. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

M. P. CHITALE & CO.
MUMBAI
C.A.

Mumbai
April 22, 2025

Dr. Anish Shah
Chairman
[DIN: 02719429]

Pradeep Kumar Agrawal
Chief Financial Officer

Mumbai
April 22, 2025

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

Raul Rebello
Managing Director & CEO
[DIN:10052487]

Brijbala Batwal
Company Secretary
Membership No.F5220

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD
MUMBAI

Rs. in crore

1 **COMPANY INFORMATION**

Mahindra & Mahindra Financial Services Limited ('the Company') with Corporate ID No.: L65921MH1991PLC059642, incorporated on 1 January 1991 and domiciled in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC'), primarily engaged in financing new and pre-owned auto, utility vehicles, tractors, passenger cars and commercial vehicles through its pan India branch network. The Company has a diversified lending portfolio across retail, small and medium enterprises and commercial customers with a significant presence in rural and semi-urban India.

The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998, with registration no. 13.00996 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 **SUMMARY OF MATERIAL ACCOUNTING POLICY**

2.1 **Statement of compliance and basis for preparation and presentation of financial statements**

The consolidated financial statements of Mahindra & Mahindra Financial Services Limited ('the Parent') and its subsidiaries ('the Group') and its associates and joint ventures have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on April 22, 2025.

2.2 **Functional and presentation currency**

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') 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 assets and liabilities 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).

M M NISSIM & CO LLP CHARTERED ACCOUNTANTS FRN : 107122W W100672 MUMBAI

M. P. CHITALE & CO. MUMBAI C.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

2.6 Use of estimates and judgments and Estimation uncertainty

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities.

Effective Interest Rate (EIR) Method
The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Impairment of Financial Assets
The measurement of impairment losses on loan assets and commitments, requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.
The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:
- The Group's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

It has been the Group's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 51).

Provisions and contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements.
Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.
Contingent Liabilities in respect of show cause notices are considered only when converted into demands.
The reliable measure of the amounts pertaining to litigations and the regulatory proceedings in the ordinary course of the Group's business are disclosed as contingent liabilities.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Provision for income tax and deferred tax assets:
The Group uses estimates and judgments based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid/recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilised. Accordingly, the Group exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period.

Defined Benefit Plans:
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Going Concern

The financial statements of the Group are prepared on a going concern basis for the year ended March 31, 2025.

The Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.7 **Revenue recognition :**

a) **Recognition of interest income**

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.
The Group calculates interest income related to financing business by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Group recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

Interest income from on investments is recognised when it is certain that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) **Recognition of interest income on securitized loans**

The Parent company securitizes certain pools of loan receivables in accordance with applicable RBI guidelines. The Parent Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Parent Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs, as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Parent Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Parent Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Parent Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Parent Company reverts to calculating interest income on a gross basis (amortised cost).

c) **Subvention income**

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost.

In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) **Rental Income**

Income from operating leases is recognised in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognised over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) **Income from finance lease**
The income earned on finance lease are recognised in the Statement of profit and loss account based on pattern reflecting constant periodic return on the groups's net investment in lease.
The fees / charges received towards fleet management services rendered to customers is recognized over the lease term.

f) **Fees, charges and commission income :**

The Group recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

Foreclosure or prepayment charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Collection fee related to transfered assets under securitisation transactions is recognised on remittance of collection proceeds to Special Purpose Vehicle (SPV) created under securitization transaction.

Collection fee related to transfered assets under assignment deals is recognised on remittance of collection proceeds to assignees as per the service agreement entered with the assignees.

g) **Income on Derecognised (Assigned) Loans :**

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the expected cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

h) **Sale of services:**

Income from insurance broking business services is recognised net of Goods and Service Tax (GST) amount on rendering of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier. The revenue from rendering of consultancy services is recognised in proportion to the stage of completion of the transaction at the reporting date.

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Notes to Consolidated Financial Statements (Continued)
for the period ended March 31, 2025

Rs. in crore

2.8 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.
Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.
Other repairs and maintenance costs are expensed off as and when incurred.

Advances paid towards the acquisition of PPE (excluding lease improvements) outstanding at each balance sheet date are disclosed separately as "Capital advances" 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 and cost of leasehold improvements. Capital work-in-progress is stated at cost, net of impairment loss, if any. On completion of work related to leasehold property improvements, the relevant cost is capitalized and the same is amortized over the lease term.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease 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 Rs.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.
- Repossessed vehicles capitalized for own use are depreciated at 15% leading to an estimated useful life of 6.67 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.9 a) Intangible assets :

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets representing computer software are amortised using the straight-line method over a period of 3 to 6 years, which is the Management's estimate of useful life. Amortization methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.
Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

b) Intangible assets under development :

The Group, initially recognizes intangible asset under development at cost during the development phase based on the management's judgement that technological and economic feasibility is confirmed. Upon completion of the development phase, the amount is capitalized as intangible asset.

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.

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Rs. in crore

2.11 Financial instruments :

a) ***Initial Recognition -***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

b) Classification and subsequent measurement -

- Financial assets

On initial recognition, a financial asset is classified as measured at

- *Amortised cost;*
- *FVOCI - debt instruments;*
- *FVOCI - equity instruments;*
- *FVTPL*

Amortised cost -

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments -

The Group measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Group elects to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) **Financial liabilities and equity instruments:**

Classification as debt or equity -

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group are recognised at the proceeds 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.

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Rs. in crore

2.11 Financial instruments : *(contd)*

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:
- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115-Revenue from Contracts with Customers.

e) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value on the date on which the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized 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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Rs. in crore

2.11 Financial instruments : *(contd)*

g) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Group recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information (refer note 51).

The Group recognizes lifetime ECL for trade advances. The expected credit losses on trade advances are estimated using a provision matrix based on the Group's historical credit loss experience.
The industry benchmarking is used for leasing portfolio in the absence of sufficent history.

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, 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 recognized.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities measured at FVOCI, the loss allowance is recognized in OCI.

Loan contract renegotiation and modifications:
Loans are identified as renegotiated and classified as credit impaired when we modify the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Group's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

h) Simplified approach for trade receivables and contract assets -
The Group follows simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk.

i) Collateral repossessed -

The underlying loans in respect of which collaterals have been repossessed but not sold are considered as Stage 3 assets and impairment allowance is estimated as per the ECL policy.

In the normal course of business, the Group does not physically repossess assets/properties or other assets in its retail portfolio, but engages external agents to recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not recorded on the balance sheet.

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.

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Rs. in crore

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to Provident Fund and ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which an entity pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Group's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss

c) Gratuity and post retirement medical benefit -

The Company's liability towards gratuity and post retirement medical benefit schemes are 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 recognized 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 as per leave policy of the Group. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options :

Compensation cost on Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock option at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

f) Long-Term Incentive Plan:

The Group pays Long Term Incentives to certain employees on fulfilment of prescribed criteria/conditions. The Group's liability towards Long Term Incentive is determined actuarially based on certain assumptions regarding rate of Interest, staff attrition and mortality as per Projected Unit Credit Method. Expenses towards long term incentive are recognised in the Statement of Profit and Loss.

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.

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Rs. in crore

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax :

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extant that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not 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 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all economic benefits required to settle a provision are expected to be recovered from third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

2.16 Gross obligation value of written put options to Non-controlling Interest (NCI) :

For the written put options held by the Group for acquiring remaining interest in its subsidiary, gross obligation is recognised by debit to Other Equity for the expected amount payable in case of exercise of the put by the NCI.

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Rs in crore

2.17 Leases :

Where the Group is the lessee -
As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. ROU assets and corresponding lease liabilities constitute lease contracts for office premises.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that option to extend will be exercised and option to terminate will not be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Group's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in property, plant and equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Group is the lessor -

At the inception of the lease, the Group classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognised immediately in Statement of profit and loss.

In case of assets under Finance Lease, amount receivable from lessees are recognised at the net investment in the leases measured by using the interest rate implicit in the lease contract. All initial direct cost incurred to put the leased asset for intended use are included in the initial measurement of net investment.

In accordance with Ind AS 116, Leases, the financial information has been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss;

d) Cash payments for the principal and interest of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no.42.

2.18 New standards or amendments to the existing standards and other pronouncements :
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on 31 March 2025, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

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M. P. CHITALE & CO. MUMBAI C.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD MUMBAI

Rs. in crore

3 Cash and cash equivalents

Rs. in crore

	March 31, 2025	March 31, 2024
Cash on hand	58.99	65.35
Cheques and drafts on hand	16.28	27.92
Balances with banks in current accounts	340.57	262.89
Term deposits with original maturity up to 3 months	1,412.00	547.38
Interest accrued on Term deposits	2.41	-
	1,830.25	903.54

4 Bank balances other than cash and cash equivalents

Rs. in crore

	March 31, 2025	March 31, 2024
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.66	0.57
Term deposits with maturity less than 12 months -	4.35	9.72
- Free	2,412.54	2,515.12
- Under lien #	1,429.66	477.60
Interest accrued on Term deposits	169.74	168.54
	4,016.95	3,171.55

 # Details of Term deposits - Under lien

Rs. in crore

Particulars	As at March 31, 2025			As at March 31, 2024		
	Bank balances other than cash and cash	Other financial assets (Note 8)	Total	Bank balances other than cash and cash	Other financial assets (Note 8)	Total
For Statutory Liquidity Ratio	356.00	-	356.00	-		-
For securitization transactions	982.78	-	982.78	444.23	-	444.23
Legal deposits	8.27	-	8.27	0.81	-	0.81
For towards Constituent Subsidiary General Ledger (CSGL) account	30.00	-	30.00	30.90	-	30.90
Other collateral deposits	52.61	-	52.61	1.66	-	1.66
Total	1,429.66	-	1,429.66	477.60	-	477.60

5 Derivative financial instruments

Rs. in crore

	As at March 31, 2025		As at March 31, 2024	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
i) Currency derivatives :				
Forward contracts	1,669.00	5.26		-
Options	827.70	25.69	-	-
Others		-	-	-
Deferred premium on foreign currency loan forward contracts				
Derivative contract receivables		-		-
Exchange gain receivable on forward contract on foreign currency loans		-		-
Others				
Total derivative financial instruments	2,496.70	30.95	-	-

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Rs. in crore

6 Receivables

Rs. in crore

	March 31, 2025	March 31, 2024
Trade receivables		
i) Secured, considered good		
- Lease rental receivable on operating lease transactions	3.15	22.22
Less : Impairment loss allowance	(0.43)	(5.46)
	2.72	16.76
ii) Unsecured, considered good :		
- Subvention and other income receivables	243.97	156.59
iii) Credit impaired :		
- Trade receivable outstanding	1.26	-
- Subvention and other income receivables	-	-
	1.26	-
Less : Impairment loss allowance	(1.26)	-
	-	-
	246.69	173.35

There is no due by directors or other officers of the company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at March 31, 2025 — Rs. in crore

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	244.09	0.13	0.48	0.12	-	244.82
– which have significant increase in credit risk	1.31	-	-	-	-	1.31
– credit impaired	0.67	0.40	1.00	0.18	-	2.25
ii) Disputed Trade Receivables –						
– considered good	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-
Total	246.07	0.53	1.48	0.30	-	248.38

There is neither an instance where due date is not specified nor any unbilled dues.

As at March 31, 2024 — Rs. in crore

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed Trade receivables –						
– considered good	167.39	-	-	-	-	167.39
– which have significant increase in credit risk	10.65	-	-	-	-	10.65
– credit impaired	0.77	-	-	-	-	0.77
ii) Disputed Trade Receivables –						
– considered good	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-
Total	178.81	-	-	-	-	178.81

There is neither an instance where due date is not specified nor any unbilled dues.

Reconciliation of impairment loss allowance on trade receivables — Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Impairment loss allowance as at beginning of the year	(5.46)	(9.99)
Net increase/(decrease) during the year	3.77	4.53
Impairment loss allowance at the end of the year	(1.69)	(5.46)

7 Loans

Rs. in crore

	March 31, 2025	March 31, 2024
A) Loans (at amortised cost) :		
Retail loans	1,09,650.30	94,410.63
Small and Medium Enterprise (SME) financing	4,825.83	3,757.67
Loans under housing finance business	7,503.09	7,209.08
Bills of exchange	1,322.71	1,054.74
Trade Advances	3,199.20	2,879.10
Finance lease	1,087.23	714.52
Other loans and advances	0.05	0.08
Total (Gross)	1,27,588.41	1,10,025.82
Less : Impairment loss allowance	(4,074.85)	(3,681.86)
Total (Net)	1,23,513.56	1,06,343.96
B) i) Secured by tangible assets	1,21,413.16	1,04,851.22
ii) Secured by intangible assets	-	-
iii) Covered by bank / Government guarantees	11.82	133.36
iv) Unsecured#	6,163.43	5,041.24
Total (Gross)	1,27,588.41	1,10,025.82
Less : Impairment loss allowance	(4,074.85)	(3,681.86)
Total (Net)	1,23,513.56	1,06,343.96
C) i) Loans in India		
a) Public Sector	-	-
b) Others	1,27,154.40	1,09,784.19
Total (Gross)	1,27,154.40	1,09,784.19
Less : Impairment loss allowance	(4,068.35)	(3,677.37)
Total (Net) - C (i)	1,23,086.05	1,06,106.82
ii) Loans outside India	434.01	241.64
Less : Impairment loss allowance	(6.50)	(4.49)
Total (Net) - C (ii)	427.51	237.15
Total (Net) - C (i+ii)	1,23,513.56	1,06,343.96

Notes:
- There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.
- Refer note no. 50 for information related to stage-wise classification of loan assets and ECL movement.

\# Includes loans against Fixed Deposits.

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MUMBAI

Rs. in crore

8 Investments

i) Investments accounted using Equity Method

Rs. in crore

	March 31, 2025 At cost	March 31, 2024 At cost
Equity instruments of associate -		
49% Ownership in Mahindra Finance USA, LLC	897.66	805.91
(Joint venture entity with De Lage Landen Financial Services INC. in United States of America)		
Equity instruments of joint venture -		
Mahindra Manulife Investment Management Private Ltd.	207.08	212.31
Mahindra Manulife Trustee Private Ltd.	1.45	1.21
Total - Gross (A)	1,106.19	1,019.43
i) Investments outside India	897.66	805.91
ii) Investments in India	208.53	213.52
Total - Gross	1,106.19	1,019.43
Less : Allowance for Impairment loss (B)	-	-
Total - Net C (A - B)	1,106.19	1,019.43

MUMBAI MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD *

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Rs. in crore

7 **Investments** ***(Continued)***

ii) Other investments

Rs. in crore

	March 31, 2025						March 31, 2024					
	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	-	-	352.59	352.59	-	352.59	-	-	237.34	237.34	-	237.34
Government securities	1,209.14	4,253.55	-	4,253.55		5,462.69	1,266.12	4,591.05		4,591.05		5,857.17
Debt securities -				-		-						
i) Investment in Bonds	25.70	457.80	-	457.80	-	483.50	25.84	453.34	-	453.34	-	479.18
ii) Commercial Papers	-		618.62	618.62	-	618.62	-	-	757.41	757.41	-	757.41
iii) Certificate of deposits with banks	-	-	2,330.40	2,330.40	-	2,330.40	-		967.73	967.73	-	967.73
iv) Investment in Triparty Repo Dealing System (TREPS)	-			-		-	124.98			-	-	124.98
v) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)#		-		-		-		1.59		1.59		1.59
Equity instruments of other entities -						-						
i) 'Equity investment in Smartshift Logistics Solutions Private Limited	-	107.36	-	107.36	-	107.36	-	35.24	-	35.24	-	35.24
ii) Equity Investment in Unquoted shares of CRIB, Sri Lanka		0.01		0.01		0.01		0.01		0.01		0.01
iii) 'New Democratic Electoral Trust	-	0.02	-	0.02	-	0.02		0.02	-	0.02	-	0.02
iv) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-		0.18	0.18		0.18			0.22	0.22		0.22
Others -												
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited		19.29	-	19.29	-	19.29	-	7.15	-	7.15	-	7.15
ii) Interest accrued on Government securities	20.97	76.14		76.14		97.11	21.20	77.96	-	77.96	-	99.16
iii) Interest accrued on Bonds	0.06	11.77		11.77		11.83	0.06	11.77	-	11.77	-	11.83
Total - Gross (A)	1,255.87	4,925.94	3,301.79	8,227.73	-	9,483.60	1,438.20	5,178.13	1,962.70	7,140.83	-	8,579.03
i) Investments outside India	36.07	0.01	-	0.01	-	36.08	49.35	0.01	-	0.01	-	49.36
ii) Investments in India	1,219.80	4,925.93	3,301.79	8,227.72	-	9,447.52	1,388.85	5,178.12	1,962.70	7,140.82	-	8,529.67
Total - Gross	1,255.87	4,925.94	3,301.79	8,227.73	-	9,483.60	1,438.20	5,178.13	1,962.70	7,140.83	-	8,579.03
Less Allowance for Impairment loss (B)	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net C (A - B)	1,255.87	4,925.94	3,301.79	8,227.73	-	9,483.60	1,438.20	5,178.13	1,962.70	7,140.83	-	8,579.03

The investment in Non-Convertible Debentures of Jyoti Structures Limited has been valued at Rs. 1,000.

Mahindra & Mahindra Financial Services Limited

Notes to Consolidated Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

9 Other financial assets

Rs. in crore

	March 31, 2025	March 31, 2024
Security Deposits		
Gross	113.41	90.02
Less : Impairment loss allowance	(0.48)	-
Net	112.93	90.02
Excess Interest Spread on Direct Assignment	1.90	-
Others #		
Gross	148.96	162.28
Less : Impairment loss allowance	(0.95)	(0.72)
Net#	148.01	161.56
	262.84	251.58

includes receivables related to insurance claims and online payment aggregators.

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

Rs. in crore

	Balance as at April 1, 2023	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at March 31, 2024	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at March 31, 2025
Tax effect of items constituting deferred tax liabilities :									
- Share based payments	(4.75)	(1.67)	-	-	(6.42)	(2.51)	-	-	(8.93)
- Application of EIR on financial assets & liabilities	(68.19)	(14.01)	-	-	(82.20)	(14.15)	-	-	(96.35)
- FVTPL financial asset	(4.78)	(0.93)		(0.35)	(6.06)	(1.34)	-	-	(7.40)
- Others #	(126.26)	43.95	0.08	-	(82.23)	10.50	0.04	-	(71.69)
	(203.98)	27.34	0.08	(0.35)	(176.91)	(7.50)	0.04	-	(184.37)
Tax effect of items constituting deferred tax assets :									
- Provision for employee benefits	33.45	(0.21)	-	2.23	35.47	(0.63)	-	1.87	36.71
- Net gain / (loss) on equity instruments through OCI	-	-	-	-	-	-	-	(21.20)	(21.20)
- Amortization and Interest in respect of lease payments	-	-	-	-	-	1.60		-	1.60
- Derivatives	51.96	(3.05)	-	-	48.91	0.68	-	-	49.59
- Allowance for ECL	634.38	34.97	-	(17.76)	651.59	55.64	-	(24.51)	682.72
- Provision on standard assets	153.53	(16.00)	-	-	137.53	12.78	-	-	150.31
- Other provisions	76.46	27.92	-	0.83	105.21	(7.68)	-	15.66	113.19
	949.78	43.63	-	(14.70)	978.71	62.39	-	(28.18)	1,012.92
Net deferred tax assets	745.80	70.97	0.08	(15.05)	801.80	54.89	0.04	(28.18)	828.55

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognized in Statement of profit and loss

Rs. in crore

	March 31, 2025	March 31, 2024
Current tax:		
In respect of current year	820.93	717.73
In respect of prior years	-	(1.63)
	820.93	716.10
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(54.89)	(70.97)
Adustments due to changes in tax rates	-	-
Adj recognised in the current yr in relation to the deferred tax of prior years	-	-
Write down / Reversal of previous write-downs of deferred tax assets	-	-
In respect of prior years	-	-
	(54.89)	(70.97)
Total Income tax recognised in Statement of profit and loss	766.04	645.13

Rs. in crore

10 Deferred tax assets (net) *(Continued)*

(iii) Income tax recognized in Other Comprehensive Income

Rs. in crore

	March 31, 2025	March 31, 2024
Income tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits	1.87	2.23
Net gain / (loss) on equity instruments through OCI	(21.20)	-
Net fair value gain on investments in debt instruments at FVTOCI	(24.51)	(16.91)
Net fair value gain on investments in equity shares at FVTOCI	-	-
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	15.66	(0.35)
Investee's share of other comprehensive income of equity accounted investments	-	-
Total Income tax recognised in Other Comprehensive Income	(28.18)	(15.03)

Rs. in crore

	March 31, 2025	March 31, 2024
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(19.33)	2.23
Income taxes related to items that will be reclassified to profit or loss	(8.85)	(17.26)
Total	(28.18)	(15.03)

(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:

Rs. in crore

	As at March 31, 2025	As at 31 March 2024
Profit before tax	2,961.68	2,532.07
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	745.40	637.27
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax		
a) Dividend Income	(3.89)	(0.73)
Effect of expenses / provisions not deductible in determining taxable profit		
a) Penalty (case settlement, MSME interest, other penalties)	0.07	0.08
b) Donation and CSR	15.02	6.47
c) Any other item	8.67	5.77
Effect of tax incentives and concessions (research and development and other allowances)		
a) Section 80JJAA	(7.09)	(5.03)
b) Others	(3.41)	(3.22)
Effect of differential tax rate	0.92	0.76
Adjustments recognised in the current year in relation to the current tax of prior years -	(2.91)	(1.63)
Others		
a) Impact of VsV	7.83	-
b) Deferred Tax	0.85	-
c) Interest u/s 234 on Current Tax	0.32	2.62
d) Excess Tax Provision for CY	0.44	0.57
e) Others	3.83	2.20
Reported income tax expense	766.04	645.13

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Rs. in crore

11a Property, plant and equipments

Rs. in crore

Particulars	Land (Freehold)	Buildings #	Building - Leasehold	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold Improvement	Plant & Machineries under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT													
Balance as at April 1, 2023	0.81	1.32	2.15	167.16	112.78	98.92	141.83	323.82	-	0.19	848.98	632.76	1,481.74
Additions during the year	-	-	1.97	37.93	17.49	16.41	46.24	207.21	9.94	-	337.19	104.04	441.23
Foreign exchange translation differences	-	-	-	0.08	0.44	0.26	0.10	-	-	-	0.88	0.88	1.76
Disposals / deductions during the year	-	-	-	27.00	8.85	9.86	33.89	70.53		0.06	150.19	56.43	206.62
Balance as at March 31, 2024	**0.81**	**1.32**	**4.12**	**178.17**	**121.86**	**105.73**	**154.28**	**460.50**	**9.94**	**0.13**	**1,036.86**	**681.25**	**1,718.11**
Balance as at April 1, 2024	0.81	1.32	4.12	178.17	121.86	105.73	154.28	460.50	9.94	0.13	1,036.86	681.25	1,718.11
Additions during the year	-	-	0.14	21.35	10.26	8.43	40.59	199.97	5.02	-	285.76	110.86	396.62
Foreign exchange translation differences	-	-	-	0.04	0.22	0.14	0.04	-	-	-	0.44	0.44	0.88
Additions through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / deductions during the year##	0.81	-	-	13.03	5.12	5.43	43.25	88.01		0.13	155.78	78.32	234.10
Balance as at March 31, 2025	-	**1.32**	**4.26**	**186.53**	**127.22**	**108.87**	**151.66**	**572.46**	**14.96**	-	**1,167.28**	**714.23**	**1,881.51**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES													
Balance as at April 1, 2023	-	0.36	1.35	106.71	83.89	74.45	75.73	86.78	-	0.15	429.42	197.22	626.64
Additions during the year	-	0.03	0.92	37.43	9.10	10.90	27.16	75.14	0.67	-	161.35	99.65	261.00
Foreign exchange translation differences	-	-	-	(0.01)	(0.17)	(0.10)	(0.01)	-		-	(0.29)	(0.29)	(0.58)
Disposals / deductions during the year	-	-	-	26.85	8.08	9.53	26.00	30.93		0.05	101.44	50.48	151.92
Balance as at March 31, 2024	-	**0.39**	**2.27**	**117.28**	**84.74**	**75.72**	**76.88**	**130.99**	**0.67**	**0.10**	**489.04**	**246.10**	**735.14**
Balance as at April 1, 2024	-	0.39	2.27	117.28	84.74	75.72	76.88	130.99	0.67	0.10	489.04	246.10	735.14
Additions during the year	-	0.02	0.27	37.83	8.66	10.59	30.62	86.64	1.62	-	176.25	103.65	279.90
Foreign exchange translation differences	-	-	-	(0.02)	(0.11)	(0.08)	(0.01)	-	-	-	(0.22)	(0.17)	(0.39)
Disposals / deductions during the year	-	-	-	12.91	4.09	5.10	30.01	38.69	-	0.10	90.90	69.37	160.27
Balance as at March 31, 2025	-	**0.41**	**2.54**	**142.18**	**89.20**	**81.13**	**77.48**	**178.94**	**2.29**	**(0.00)**	**574.17**	**280.21**	**854.38**
NET CARRYING AMOUNT													
As at March 31, 2024	0.81	0.93	1.85	60.89	37.12	30.01	77.40	329.51	9.27	0.03	547.82	435.15	982.97
As at March 31, 2025	-	**0.91**	**1.72**	**44.35**	**38.02**	**27.74**	**74.18**	**393.52**	**12.67**	**0.00**	**593.12**	**434.02**	**1,027.13**

Secured Non-Convertible Debentures(NCDs) have pari passu charge on building situated at Chhatrapati Sambhaji Nagar erstwhile "Aurangabad" having carrying value of Rs.0.23 as on March 31, 2025 (March 31, 2024: Rs.0.23)

During the year the Group has sold freehold land property.

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)

11b Capital Work in Progress

As at March 31, 2025 — Rs. in crore

	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Projects in Progress	0.52	-	-	-	0.52
Total	**0.52**	-	-	-	**0.52**

As at 31 March, 2024 — Rs. in crore

	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Projects in Progress	0.15	-	-	-	0.15
Total	**0.15**	-	-	-	**0.15**

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Rs. in crore

12a Intangible Assets Under Development Aging schedule

As at March 31, 2025:

Rs. in crore

Ageing	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	65.50	0.14	-	-	65.64
Project temporarily suspended	-	-	-	-	-
Total	65.50	0.14	-	-	65.64

As at March 31, 2024:

Rs. in crore

Ageing	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	105.28	0.16	-	-	105.44
Project temporarily suspended	-	-	-	-	-
Total	105.28	0.16	-	-	105.44

12b Other Intangible assets

Rs. in crore

Particulars	**Computer Software**
GROSS CARRYING AMOUNT	
Balance as at April 1, 2023	126.78
Additions during the year	23.34
Foreign exchange translation differences	0.07
Additions through business combinations	-
Deductions during the year	0.82
Balance as at March 31, 2024	149.37
Balance as at April 1, 2024	149.37
Additions during the year	196.09
Foreign exchange translation differences	0.07
Additions through business combinations	-
Deductions during the year	-
Balance as at March 31, 2025	**345.53**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at April 1, 2023	111.28
Additions during the year	13.85
Foreign exchange translation differences	-
Deductions during the year	0.75
Balance as at March 31, 2024	124.38
Balance as at April 1, 2024	124.38
Additions during the year	41.33
Foreign exchange translation differences	0.02
Deductions during the year	0.02
Balance as at March 31, 2025	**165.71**
NET CARRYING AMOUNT	
As at March 31, 2024	24.99
As at March 31, 2025	**179.82**

The Group has not revalued its Intangible Assets.

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Notes to Consolidated Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

13 Other non-financial assets

Rs. in crore

	March 31, 2025	March 31, 2024
Capital advances	81.90	85.21
Prepaid expenses	106.57	87.40
Balances with Government Authorities	532.29	413.28
Unamortised placement and arrangement fees paid on borrowing instruments	0.05	0.16
Insurance advances	31.93	17.42
Other advances	23.47	21.06
	776.21	624.53

14 Derivative financial instruments

Rs. in crore

	March 31, 2025		March 31, 2024	
	Notional amounts	Fair value of Liabilities	Notional amounts	Fair value of Liabilities
Currency / interest rate derivatives Unhedged:				
Forward contracts	-	-	-	-
Currency swaps/Options	241.06	47.05	709.00	154.30
Total (A)	241.06	47.05	709.00	154.30
Currency / interest rate derivatives Hedged:				
Forward contracts	4,303.13	262.76	835.52	177.40
Currency swaps/Options	1,541.16	81.80	827.70	3.57
Total (B)	5,844.29	344.56	1,663.22	180.97
Total derivative financial instruments (A+B)	6,085.35	391.61	2,372.22	335.27

Movement in Cash Flow Hedge Reserve

Rs. in crore

	March 31, 2025	March 31, 2024
Balance at the beginning of the year	(7.28)	(4.74)
Recognised on Cash Flow Hedge Reserve	(62.23)	(3.39)
Reclassified to profit or loss	-	-
Income Tax relating to gain/ loss on the OCI	15.66	0.85
	(53.85)	(7.28)

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Rs. in crore

15 Payables

Rs. in crore

		March 31, 2025	March 31, 2024
I)	**Trade Payables**		
	i) total outstanding dues of micro enterprises and small enterprises	0.33	0.42
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,440.32	1,678.60
II)	**Other Payables**		
	i) total outstanding dues of micro enterprises and small enterprises	2.71	2.80
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.87	61.71
		1,461.23	1,743.53

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 :

Rs. in crore

		March 31, 2025	March 31, 2024
a)	Dues remaining unpaid to any supplier at the year end		
	- Principal	203.64	3.23
	- 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	0.02	2.69
	- Interest paid in terms of Section 16 of the MSMED Act	0.00	0.05
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 March 31, 2025 Rs. in crore

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	2.16	0.05	-	-	2.20
ii)	Others	1,412.78	25.37	10.42	11.03	1,459.59
	Total	1,414.94	25.41	10.42	11.03	1,461.80
	Disputed dues –					
	– MSME	-	-	-	-	-
	– Others	-	-	-	0.00	0.00

There is neither an instance where due date is not specified nor there is any unbilled due

As at March 31, 2024 Rs. in crore

Particulars		Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i)	MSME	3.22	-	-	-	3.22
ii)	Others	1,693.49	23.13	7.95	15.74	1,740.31
	Total	1,696.71	23.13	7.95	15.74	1,743.53
	Disputed dues –					
	– MSME	-	-	-	-	-
	– Others	-	-	-	0.00	0.00

There is neither an instance where due date is not specified nor there is any unbilled due

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Rs. in crore

16 Debt Securities

Rs. in crore

	March 31, 2025	March 31, 2024
At Amortised cost		
Non-convertible debentures (Secured)	25,239.18	23,284.16
Non-convertible debentures (Unsecured)	2,163.31	2,632.60
Commercial Papers (Unsecured)	2,459.41	5,068.15
Rupee Denominated Secured Bonds overseas (Masala Bonds)	-	-
Total	29,861.90	30,984.91
Debt securities in India	29,861.90	30,984.91
Debt securities outside India	-	-
Total	29,861.90	30,984.91

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.
The rates mentioned above are the applicable rates as at the year end date. These includes floating rate loans which are based on MCLR / T-bill plus spread.

Details of Non-convertible debentures (Secured) : Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate Range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate Range	As at March 31, 2024 Amount
A) Issued on private placement basis (wholesale) -				
Repayable on maturity :				
Maturing within 1 year	6.25%-9.00%	6,858.50	7.45%-8.95%	4,529.50
Maturing between 1 year to 3 years	6.35%-8.45%	7,159.23	6.25%-9.00%	10,533.50
Maturing between 3 years to 5 years	7.75%-9.18%	6,062.60	7.90%-8.25%	1,039.45
Maturing beyond 5 years	7.45%-8.35%	3,108.90	7.45%-8.48%	5,188.00
Sub-total at face value		23,189.23		21,290.45
Repayable in Half yearly instalments :				
Maturing within 1 year	6.35%	112.50		
Maturing between 1 year to 3 years	6.35%	56.25	6.35%	56.25
Maturing between 3 years to 5 years		-	6.35%	168.75
Sub-total at face value		168.75		225.00
Sub-total at face value (A)		23,357.98		21,515.45
B) Issued on retail public issue -				
Repayable on maturity :				
Maturing within 1 year				
Maturing between 1 year to 3 years	9.20%-9.30%	869.15	9.20%-9.30%	869.15
Maturing between 3 years to 5 years				
Maturing between 1 year to 3 years				
Sub-total at face value (B)		869.15		869.15
Total at face value (A+B)		24,227.13		22,384.60
Less: Unamortised discounting charges		25.59		33.81
Add: Interest accrued but not due		1,037.64		933.37
Total amortised cost		25,239.18		23,284.16

Details of Non-convertible debentures (Unsecured) - : Rs. in crore

From the Balance Sheet date	As at March 31 2025 Interest Rate Range	As at March 31 2025 Amount	As at March 31, 2024 Interest Rate Range	As at March 31, 2024 Amount
Repayable on maturity :				
Maturing within 1 year	8.32%-8.55%	675.00	6.70%-9.02%	800
Maturing between 1 year to 3 years	8.32%	375.00	8.32%-8.55%	675.00
Maturing beyond 5 years	8.53%	1,000.00	8.53%	1,000.38
Maturing between 3 years to 5 years				
Maturing between 1 year to 3 years				
Maturing within 1 year				
Total at face value		2,050.00		2,475.38
Less: Unamortised discounting charges		4.65		5.91
Add: Interest accrued but not due		117.96		163.13
Total amortised cost		2,163.31		2,632.60

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Notes to Consolidated Financial Statements *(Continued)*
as at March 31, 2025

Rs. in crore

16 Debt Securities *(Continued)*

Details of Commercial Papers (Unsecured):

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate Range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate Range	As at March 31, 2024 Amount
Repayable on maturity :				
Maturing within 1 year	7.75%-8.00%	2,500.00	7.69%-8.30%	5,175.00
Total at face value		2,500.00		5,175.00
Less: Unamortised discounting charges		40.59		106.85
Add: Interest accrued but not due				-
Total amortised cost		2,459.41		5,068.15

17 Borrowings (Other than Debt Securities)

Rs. in crore

	March 31, 2025	March 31, 2024
At Amortised cost		
a) Term loans		
i) Secured -		
- from banks	54,837.66	48,647.02
- from banks in foreign currency	110.91	64.54
- External Commercial Borrowings	7,022.09	2,156.61
- Associated liabilities in respect of securitisation transactions	8,744.61	5,614.77
- Triparty repo dealing and settlement (TREPs) against Government securities	999.82	-
- from other parties (National Housing Bank)	-	-
ii) Unsecured -		
- from banks	-	2.47
- from other parties	-	150.82
b) Loans from related parties		
Unsecured -		
- Inter-corporate deposits (ICDs)	-	94.99
c) Loans repayable on demand		
Secured -		
- from banks	29.60	-
- Cash credit facilities with banks	-	-
d) Other loans and advances		
Unsecured -		
- Inter-corporate deposits (ICDs) other than related parties	8.84	187.60
- Loans (other than ICD)	-	25.05
Total	71,753.53	56,943.87
Borrowings in India	64,620.53	54,697.67
Borrowings outside India	7,133.00	2,246.20
Total	71,753.53	56,943.87

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.

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Rs. in crore

17 Borrowings (Other than Debt Securities) *(Continued)*

Details of term loans from banks (Secured)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
1) Repayable on maturity :				
Maturing within 1 year	7.60%-9.20%	1,741.00	6.75%-8.95%	2,696.00
Maturing between 1 year to 3 years	7.70%-8.29%	500.00	7.70%-8.30%	480.00
Maturing between 3 years to 5 years		-	8.70%	100.00
Total for repayable on maturity		2,241.00		3,276.00
2) Repayable in instalments :				
i) Monthly -				
Maturing within 1 year				-
Maturing between 1 year to 3 years				-
Maturing between 3 years to 5 years				-
Sub-Total	-	-	-	-
ii) Quarterly -				
Maturing within 1 year	5.70%-9.05%	12,031.06	5.15%-9.01%	7,878.46
Maturing between 1 year to 3 years	5.75%-8.55%	19,296.01	5.70%-9.01%	14,067.62
Maturing between 3 years to 5 years	6.40%-8.80%	4,583.01	5.75%-9.01%	5,061.75
Maturing beyond 5 years				
Sub-Total		35,910.08		27,007.83
iii) Half yearly -				
Maturing within 1 year	6.72%-9.05%	3,179.76	6.25%-8.80%	3,562.08
Maturing between 1 year to 3 years	7.75%-9.05%	5,236.18	6.97%-8.80%	5,858.56
Maturing beyond 3 years to 5 years	7.79%-8.60%	1,481.78	7.80%-8.80%	2,588.03
Maturing beyond 5 years	8.0%	50.00	8%	111.12
Sub-Total		9,947.72		12,119.79
iv) Yearly -				
Maturing within 1 year	7.19%-9.00%	2,405.42	7.59%-9.00%	1,906.25
Maturing between 1 year to 3 years	8.30%-9.00%	3,971.39	7.59%-9.00%	3,107.92
Maturing between 3 years to 5 years	0.09	265.00	8.50%-9.00%	1,145.00
Sub-Total		6,641.81		6,159.17
Total for repayable in instalments		52,499.61		45,286.79
Total (1+2) (As per contractual terms)		54,740.61		48,562.79
Less: Unamortised Finance Cost		0.25		0.48
Add: Interest accrued but not due		97.30		84.71
Total Amortised Cost		54,837.66		48,647.02

Details of Secured term loans from banks in foreign currency (LKR)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
Repayable on maturity :				
Maturing within 1 year	7.76% - 10.45%	92.91	10.19% - 13.59%	62.30
Maturing between 1 year to 3 years	9.45% - 10.50%	17.81	12.59% - 13.59%	1.53
Maturing beyond 3 years to 5 years				
Total		110.72		63.83
Less: Unamortised Finance Cost		0.08		-
Add: Interest accrued but not due		0.27		0.71
Total Amortised Cost		110.91		64.54

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Rs. in crore

17 Borrowings (Other than Debt Securities) *(Continued)*

Details of External Commercial Borrowings (USD & JPY)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
Maturing within 1 year	6.61%-8.11%	1,793.49	8.61%	363.59
Maturing between 1 year to 3 years	7.68%-8.22%	5,134.88	6.61%-8.11%	1,743.99
		6,928.37		2,107.58
Less: Unamortised Finance Cost		27.60		5.53
Add: Interest accrued but not due		121.32		54.56
Total		7,022.09		2,156.61

Details of associated liabilities related to Securitization transactions

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
Maturing within 1 year	4.76%-12.17%	3,473.99	3.70%-7.55%	2,541.52
Maturing between 1 year to 3 years	4.76%-12.17%	4,556.18	3.70%-7.55%	2,656.91
Maturing between 3 years to 5 years	6.50%-8.00%	680.90	4.76%-7.55%	410.67
Maturing beyond 5 years		18.79		-
		8,729.86		5,609.10
Less: Unamortised Finance Cost		0.63		0.27
Add: Interest accrued but not due		15.38		5.94
Total		8,744.61		5,614.77

Secured by exclusive charge on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans

Details of Triparty repo dealing and settlement (TREPs) against Government securities

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
Maturing within 1 year		1,000.00		-
Maturing between 1 year to 3 years				
Maturing between 3 years to 5 years				
Maturing beyond 5 years		-		-
		1,000.00		-
Less: Unamortised Finance Cost		-		
Add: Interest accrued but not due		(0.18)		
Total		999.82		-

Secured by exclusive charge on receivables under loan contracts and book debts to the extent of 100% of outstanding secured loans

Details of Unsecured term loans from banks

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
Repayable on maturity :				
Maturing within 1 year			9.25%	2.47
Total		-		2.47
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				0.00
Total Amortised Cost		-		2.47

Details of Unsecured term loans from others

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
Repayable on maturity :				
Maturing within 1 year			8.20%	75.00
Maturing between 1 year to 3 years			8.20%	75.00
Total		-		150.00
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				0.82
Total Amortised Cost		-		150.82

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Rs. in crore

17 Borrowings (Other than Debt Securities) *(Continued)*

Details of Loans from related parties & Other Parties (Unsecured) - Inter-corporate deposits (ICDs)

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
Inter-corporate deposits (ICDs) (Related Parties)	Interest Rate range	Amount	Interest Rate range	Amount
Repayable on maturity :				
Maturing within 1 year			6.70%-8.16%	90.00
Maturing between 1 year to 3 years				
Total		-		90.00
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				4.99
Total Amortised Cost		-		94.99
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity :				
Maturing within 1 year	7.75%	8.50	6.70%-8.16%	185.00
Total		8.50		185.00
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due		0.34		2.60
Total Amortised Cost		8.84		187.60

Details of Loans repayable on demand (Secured) -with banks

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest Rate range	Amount	Interest Rate range	Amount
Repayable on maturity :				
Maturing within 1 year	8.75% - 9.0%	29.60		-
Total		29.60		-
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				
Total Amortised Cost		29.60		-

Details of Unsecured Loans other than Inter-corporate deposits (ICDs) :

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest Rate range	Amount	Interest Rate range	Amount
Repayable on maturity :				
Maturing within 1 year		-	21% - 27.21%	25.05
Maturing between 1 year to 3 years		-		-
Total		-		25.05
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				
Total Amortised Cost		-		25.05

18 Deposits

Rs. in crore

	March 31, 2025	March 31, 2024
At amortised cost		
Deposits (Unsecured)		
- Public deposits*	6,839.02	6,035.46
- Accepted from corporates	4,534.95	1,497.73
Total	11,373.97	7,533.19

Note: There is no other deposit measured at FVTPL or designated at FVTPL.

*There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year. there was no delay in transferring any amount to the Investor Education and Protection Fund by the Parent Company.

Details of Deposits (Unsecured) - Public deposits :

Rs. in crore

From the Balance Sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest Rate range	Amount	Interest Rate range	Amount
Repayable on maturity :				
Maturing within 1 year	5.75% - 23.5%	3,994.99	5.65% - 24.00%	2,652.93
Maturing between 1 year to 3 years	5.90% - 25%	5,877.05	5.75% - 18.01%	3,592.21
Maturing beyond 3 years	7.25% - 22%	1,030.53	5.90% - 18.86%	952.05
Total at face value		10,902.57		7,197.19
Less: Unamortised discounting charges		33.20		22.46
Add: Interest accrued but not due		504.60		358.46
Total Amortised cost		11,373.97		7,533.19

19 Subordinated liabilities

Rs. in crore

	March 31, 2025	March 31, 2024
At Amortised cost		
Subordinated redeemable non-convertible debentures - private placement	3,541.57	2,113.08
Subordinated redeemable non-convertible debentures - retail public issue	2,562.27	2,640.38
Total	6,103.84	4,753.46
Subordinated liabilities in India	6,103.84	4,753.46
Subordinated liabilities outside India	-	-
Total	6,103.84	4,753.46

Note: There is no Subordinated liability measured at FVTPL or designated at FVTPL.

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Rs. in crore

19 Subordinated liabilities *(Continued)*

Details of Subordinated liabilities (at Amortised cost) - Unsecured subordinated redeemable non-convertible debentures

Rs. in crore

From the Balance Sheet date	As at March 31, 2025 Interest Rate range	As at March 31, 2025 Amount	As at March 31, 2024 Interest Rate range	As at March 31, 2024 Amount
A) Issued on private placement basis - Repayable on maturity :				
Maturing within 1 year	8.90%-9.50%	235.00	9.18%-9.60%	225.00
Maturing between 1 year to 3 years	8.40%-9.10%	207.00	8.90%-9.10%	357.00
Maturing between 3 years to 5 years	9.00.%-9.40%	135.00	8.40%	120.00
Maturing beyond 5 years	7.90%-8.35%	2,862.90	7.35%-8.35%	1,362.90
Sub-total at face value (A)		**3,439.90**		2,064.90
B) Issued on retail public issue - Repayable on maturity :				
Maturing within 1 year			7.75%-7.85%	59.32
Maturing between 1 year to 3 years	7.90%-9.00%	1,380.25	8.53%-9.00%	933.01
Maturing between 3 years to 5 years	9.35%-9.50%	336.87	7.90%-9.50%	784.12
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-8.05%	643.96
Sub-total at face value (B)		**2,361.08**		2,420.41
Total at face value (A+B)		**5,800.98**		4,485.31
Less: Unamortised discounting charges		21.02		18.86
Add: Interest accrued but not due		323.88		287.01
Total amortised cost		**6,103.84**		4,753.46

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.

20 Other financial liabilities

Rs. in crore

	March 31, 2025	March 31, 2024
Interest accrued but not due on borrowings	-	-
Unclaimed dividends #	0.66	0.57
Unclaimed matured deposits and interest accrued thereon #	3.82	4.37
Deposits / advances received against loan agreements	45.39	35.51
Insurance premium payable	25.46	18.28
Salary, Bonus and performance payable	30.43	41.12
Provision for expenses	284.35	222.73
Lease liabilities (refer note 42)	503.99	495.13
Others	148.34	60.16
Total	**1,042.44**	877.87

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.

21 Provisions

Rs. in crore

	March 31, 2025	March 31, 2024
Provision for employee benefits		
- Gratuity (refer note 36)	39.40	21.62
- Leave encashment	93.55	99.33
- Bonus, incentives and performance pay	117.44	132.72
- Post retirement medical benefit	5.24	-
Provision for loan commitment	1.11	1.06
Total	**256.74**	254.73

22 Other non-financial liabilities

Rs. in crore

	March 31, 2025	March 31, 2024
Deferred subvention income	6.28	14.37
Statutory dues and taxes payable	194.81	163.67
Others	3.71	7.46
Total	**204.80**	185.50

23 Equity Share Capital

Rs. in crore

	As at March 31, 2025	As at March 31, 2024
Authorised:		
250,00,00,000 (31 March 2024: 250,00,00,000) Equity shares of Rs.2/- each	500.00	500.00
50,00,000 (31 March 2024: 50,00,000) Redeemable preference shares of Rs 100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
123,55,29,920 (31 March 2024: 123,55,29,920) Equity shares of Rs.2/- each fully paid up	247.11	247.11
Less : 6,68,537 (31 March 2024: 11,43,808) Equity shares of Rs.2/- each fully paid up issued to ESOP Trust under Company's ESOP Schemes but not yet allotted to employees pending exercise of stock options	0.13	0.23
Adjusted Issued, Subscribed and paid-up Share capital	**246.98**	246.88

		March 31, 2025 No. of shares	March 31, 2025 Rs. in crore	March 31, 2024 No. of shares	March 31, 2024 Rs. 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 ESOP Trust but not yet allotted to employees	6,68,537	0.13	11,43,808	0.23
	Adjusted Issued, Subscribed and paid-up Share capital	1,23,48,61,383	246.98	1,23,43,86,112	246.88
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 Rs.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.

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Rs. in crore

23 Equity Share capital *(Continued)*

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.

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.

Elements of Other Equity with balance:

Particulars	Nature and purpose	March 31, 2025	March 31, 2024
Statutory reserve	For the parent Company, 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 utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization. Similarly, it includes transfers made by the housing finance business and the Sri Lanka subsidiary of the Group as per the requirements of National Housing Bank (NHB) and Central Bank of Sri Lanka respectively.	3,650.10	3,180.97
Capital redemption reserve	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 utilized 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.	50.00	50.00
Securities premium	Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.	7,195.40	7,186.06
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 utilized only in accordance with the specific requirements of the Companies Act, 2013.	814.50	814.08
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 Parent Company and its subsidiaries in the group in pursuance of the Employee Stock Option Plan.	26.12	30.45
Retained earnings	Retained earnings or accumulated surplus represents total of all profits retained since Group'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.	9,372.89	8,364.28
Other comprehensive income			
- Debt instruments through OCI	The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	0.87	(71.99)
- Equity instruments through OCI	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	84.53	21.47
- Effective portion of cash flow hedges	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	(53.85)	(7.28)
- Foreign Currency Translation Reserve	In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).	141.93	118.33
Total Other Equity		21,282.48	19,686.37

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

Rs. in crore

	March 31, 2025	March 31, 2024
Dividend paid	778.38	741.32
Profit for the relevant year	1,759.62	1,984.32
Dividend as a percentage of profit for the relevant year	44.2%	37.4%

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

Rs. in crore

	March 31, 2025	March 31, 2024
Face value per share (Rupees)	2.00	2.00
Dividend percentage	325%	315%
Dividend per share (Rupees)	6.50	6.30
Total Dividend on Equity shares (a)	803.09	778.38
Profit after tax for the relevant year (b)	2,345.04	1,759.62
Dividend proposed as a percentage of profit after tax (a/b)	34.2%	44.2%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable

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Rs in crore

24 Interest income

Rs. in crore

		March 31, 2025	March 31, 2024
I)	**On financial instruments measured at Amortised cost (refer note 2.7)**		
	Interest on loans	**15,434.13**	13,372.43
	Interest on Finance lease	**142.74**	87.84
	Income from bill discounting	**120.62**	106.07
	Interest income from investments	**249.08**	261.64
	Interest on term deposits with banks	**318.80**	266.11
II)	**On financial instruments measured at fair value through OCI (refer note 2.11 b)**		
	Interest income from investments in debt instruments	**301.03**	318.24
	Total	**16,566.40**	14,412.33

Note: There is no loan asset measured at FVTPL.

25 Fees, charges and commission income

Rs. in crore

	March 31, 2025	March 31, 2024
Fees / charges on loan transactions	**296.90**	165.13
Income from commission services - life insurance	**149.94**	-
Income from commission services - general insurance	**61.31**	-
Commission / brokerage received from mutual fund distribution/other debt products	**6.77**	7.17
Collection fees related to transferred assets under securitisation transactions	**12.95**	12.02
Total	**527.87**	184.32

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Type of services or service		
Fees and commission income	**527.87**	-
Total revenue from contract with customers	-	-
Geographical markets	-	-
India	-	-
Outside India	-	-
Total revenue from contract with customers	-	-
Timing of revenue recognition	-	-
Services transferred at a point in time	-	-
Services transferred over time	-	-
Total revenue from contract with customers	-	-
	-	-

Contract balances

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Fees, commission and other receivables	**246.69**	173.35
	246.69	173.35

-Impairment loss allowance recognised on contract balances is Rs. Nil (Previous year Rs. Nil)
-Contract asset as on March 31, 2025 is Nil (Previous year Nil)

26 Net gain / (loss) on fair value changes

Rs. in crore

		March 31, 2025	March 31, 2024
A)	Net gain / (loss) on financial instruments at FVTPL		
	i) On trading portfolio		
	- Investments	**(0.42)**	2.39
	ii) On financial instruments designated at FVTPL	**13.93**	20.63
B)	Others - Mutual fund units	**8.46**	4.06
C)	**Total Net gain / (loss) on financial instruments at FVTPL**	**21.97**	27.08
	Fair value changes :		
	- Realised	**1.31**	-
	- Unrealised	**20.66**	27.08
D)	**Total Net gain / (loss) on financial instruments at FVTPL**	**21.97**	27.08

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

27 Sale of services

Rs. in crore

	March 31, 2025	March 31, 2024
Income from insurance broking business services	**1,191.51**	1,057.66
Total	**1,191.51**	1,057.66

Mahindra & Mahindra Financial Services Limited

Notes to Consolidated Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

28 Other income

Rs. in crore

	March 31, 2025	March 31, 2024
Net gain on derecognition of property, plant and equipment	4.32	6.97
Net gain on sale of investments measured at amortised cost	(0.34)	1.09
Income from shared services	56.09	164.75
Others	7.29	0.66
Total	**67.36**	173.47

29 Finance costs

Rs. in crore

	March 31, 2025	March 31, 2024
On financial liabilities measured at Amortised cost		
Interest on deposits	747.51	490.27
Interest on borrowings	4,674.27	3,629.54
Interest on debt securities	2,630.68	2,438.83
Interest on subordinated liabilities	414.50	336.94
Net gain / (loss) in fair value of derivative financial instruments	(107.25)	9.47
Interest expense on lease liabilities (refer note 42)	39.99	36.08
Other borrowing costs	15.73	18.07
Total	**8,415.43**	6,959.20

Note: There is no financial liability measured at FVTPL.

30 Impairment on financial instruments

Rs. in crore

	March 31, 2025	March 31, 2024
On financial instruments measured at Amortised cost		
Bad debts and write offs	1,690.40	1,931.30
Loans	393.02	32.71
Investments	-	(0.98)
Loan commitment	0.05	(2.74)
Trade receivables and other contracts	1.89	(4.54)
Total	**2,085.36**	1,955.75

Note: There is no financial instrument measured at FVOCI.

31 Employee benefits expenses

Rs. in crore

	March 31, 2025	March 31, 2024
Salaries and wages	2,171.13	2,085.69
Contribution to provident funds and other funds	141.18	126.98
Share based payments to employees	6.60	6.56
Staff welfare expenses	36.03	42.21
Total	**2,354.94**	2,261.44

32 Depreciation, amortization and impairment

Rs. in crore

	March 31, 2025	March 31, 2024
Depreciation on Property, Plant and Equipment (refer note 11)	176.25	161.35
Amortization and impairment of intangible assets (refer note 12)	41.31	13.85
Depreciation on Right of Use Asset (refer note 11 and 42)	103.65	99.65
Total	**321.21**	274.85

33 Other expenses

Rs. in crore

	March 31, 2025	March 31, 2024
Rent	15.97	17.10
Rates and taxes, excluding taxes on income	16.43	14.96
Electricity charges	21.80	21.99
Repairs and maintenance	13.74	14.96
Communication Costs	56.78	59.46
Printing and Stationery	15.41	16.28
Advertisement and publicity	27.59	41.41
Directors' fees, allowances and expenses	5.14	4.79
Auditor's fees and expenses -		
- Audit fees	2.20	1.85
- Taxation matters	-	-
- Other services	0.74	0.68
- Reimbursement of expenses	0.08	0.04
Legal and professional charges	193.94	190.95
Insurance	75.84	75.77
Manpower outsourcing cost	222.49	147.93
Donations	25.02	4.89
Corporate Social Responsibility (CSR) expenses	34.61	26.83
Conveyance and travel expenses	187.18	200.87
Other expenses	431.65	278.41
Total	**1,346.61**	1,119.17

34 Earning Per Share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the net profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

Rs. in crore

	March 31, 2025	March 31, 2024
Profit for the year (Rs. in crore)	2,261.87	1,932.69
Weighted average number of Equity Shares used in computing basic EPS	1,23,46,29,576	1,23,39,32,506
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	4,16,316	6,47,658
Weighted average number of Equity Shares used in computing diluted EPS	1,23,50,45,892	1,23,45,80,164
Basic Earnings per share (Rs.) (Face value of Rs. 2/- per share)	18.32	15.66
Diluted Earnings per share (Rs.)	18.31	15.65

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Rs. in crore

35a Employee Stock Option Plan (ESOP) of the Parent Entity

The Company had allotted 48,45,025 Equity shares (face value of Rs.2/- each) (adjusted for stock-split in the ratio of 5:1 in February 2013) under Employee Stock Option Scheme 2010 at par on February 3, 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 employees and allots equity shares to eligible employees on exercise of stock options as per the terms and conditions of ESOP scheme granted 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 Rs.50 per Equity Share (including a premium of Rs. 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 August 17, 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at Rs.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 have remained 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 70,25,425 equity shares to employees up to March 31, 2025 (March 31, 2024: 65,50,154 equity shares), of which 4,75,271 equity shares (March 31, 2024: 7,87,641 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by Rs. 0.10 crore for the year ended March 31, 2025 (March 31, 2024 : Rs. 0.16 crore).

a) The terms and conditions of the Employees Stock Option Plans

i) Employees Stock Option Scheme 2010

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	In 5 equal tranches @ 20% each on expiry of 12, 24, 36, 48 and 60 months from the date of grant

ii) MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED – RESTRICTED STOCK UNITS PLAN 2023 ("MMFSL RSU PLAN 2023")

Newly formulated employee stock option plan, namely, Mahindra and Mahindra Financial Services Limited – Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, and the same was approved by the Board of Directors in their meeting held on April 28, 2023.

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	RSUs granted under the MMFSL RSU Plan 2023 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs. The vesting of RSUs would be based on achievement of performance parameters. The Committee would lay down the parameters for vesting of RSUs which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control d) Profit growth e) Return on Assets (ROA) f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance
Vesting Schedule	In 3 or 5 equal tranches on expiry of 12, 24 and 36 months (i.e. 33.33% each) or on expiry of 12, 24,36,48, 60 months (i.e. 20% each), up to a maximum of 7 years from the grant date
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price

b) Options granted during the year:

i) Employee Stock Option Scheme 2010

After formulation of new scheme - MMFSL RSU PLAN 2023, no further stock options can be granted under the old scheme - Employees' Stock Option Scheme 2010. However, live options already vested can be exercised within the validity period as per the terms and conditions of the scheme.

Following are the stock option grants under this scheme which were live during the year with remaining validity period for exercise of vested options.

Particulars	Grant dated January 5, 2017	Grant dated January 24, 2018	Grant dated October 24, 2018
Exercise price (Rs.)	2.00	2.00	2.00
Fair value of option (Rs.)	337.36	495.92	355.34

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ii) MMFSL RSU PLAN 2023

During the year ended March 31, 2025, the Company has granted 6,49,326 stock options (March 31, 2024 : 2,83,171) to eligible employees under the newly formulated employee stock option plan, namely, MMFSL RSU PLAN 2023, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, which was approved by the Board of Directors in their meeting held on April 28, 2023.

Following are the grants which are liver under MMFSL RSU PLAN 2023.

Particulars	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
Exercise price (Rs.)	2.00	2.00	2.00
Fair value of option (Rs.)	262.53	246.47	246.47

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Rs. in crore

35a Employee Stock Option Plan ***(Continued)***

The key assumptions used in black-scholes model for calculating fair value as on the date of grant are:

	Year ended March 31, 2025		Year ended March 31, 2024
	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
Variables#			
1) Risk free interest rate	6.64%	7.08%	7.29%
2) Expected life	4.50 years	5.50 years	4.51 years
3) Expected volatility	42.83%	44.27%	45.98%
4) Dividend yield	2.16%	2.15%	2.19%
5) Price of the underlying share in the market at the time of option grant (Rs.)	291.00	278.85	273.60

the values mentioned against each of the variables are based on the weighted average percentage of vesting.

c) i) Summary of stock options - Employee Stock Option Scheme 2010 :

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of stock options	Weighted average exercise price (Rs.) #	No. of stock options	Weighted average exercise price (Rs.) #
Options outstanding at the beginning of the year	6,12,763	26.97	14,34,983	26.91
Options granted during the year	-	-	-	-
Options expired/forfeited during the year	11,350	27.45	12,392	26.00
Options cancelled/lapsed during the year	-	-	22,187	35.33
Options exercised during the year	4,44,786	27.09	7,87,641	26.63
Options outstanding at the end of the year	1,56,627	26.58	6,12,763	26.97
Options vested but not exercised at the end of the year	1,56,627	26.58	6,12,763	26.97

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 Rs.2/- per option and adjustment options issued under Rights issue are exercisable at Rs.50/- each, including premium of Rs. 48/- per option (being the issue price under Rights allotment).

ii) Summary of stock options - MMFSL RSU PLAN 2023:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of stock options	Weighted average exercise price (Rs.)	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	2,83,171	2.00	-	-
Options granted during the year	6,49,326	2.00	2,83,171	2.00
Options expired/forfeited during the year	8,804	2.00	-	-
Options cancelled/lapsed during the year #	85,674	2.00	-	-
Options exercised during the year	30,485	2.00	-	-
Options outstanding at the end of the year	8,07,534	2.00	2,83,171	2.00
Options vested but not exercised at the end of the year	36,216	2.00	-	-

includes 9,194 options cancelled / lapsed on account of true-down effect applied on the specific tranche of the grant covering all the beneficiaries due to non-achievement of specified perfomance parameters at the Company level for the year ened 31 March 2024 as per the terms and conditions of the MMFSL RSU PLAN 2023.

True-down of options:

The vesting of options under each tranche of individual grants under MMFSL RSU PLAN 2023 is subject to achievement of specified perfomance parameters at the Company level and at the individual level for the relevant financial year as approved by the Nomination and Remuneration Committee (NRC) of the Board of Directors. If actual performance in a relevant financial year against the specified parameters is lower than the defined thresholds, the granted options under a particular tranche would vest in proportion to the level of actual performance (true-down effect) and that proportion of options attibutable to lower performace would be cancelled / lapsed with corresponding write-back of compensation expense already recognized in the statement of profit and loss.

d) Information in respect of options outstanding :

Exercise price	As at March 31, 2025		As at March 31, 2024	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010 -				
- At Rs.2.00 per option	76,411	14 months	2,94,002	24 months
- At Rs.50.00 per option	80,216	14 months	3,18,761	23 months
MMFSL RSU PLAN 2023 -				
- At Rs.2.00 per option	8,07,534	79 months	2,83,171	80 months
	9,64,161		8,95,934	

Rs. in crore

35a Employee Stock Option Plan *(Continued)*

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended March 31, 2025		Year ended March 31, 2024	
Date of exercise	**Weighted average share price (Rs.)**	**Date of exercise**	**Weighted average share price (Rs.)**
April 01 2024 to March 31, 2025	286.73	April 01 2023 to March 31, 2024	275.35

f) Determination of expected volatility

The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010 and MMFSL RSU PLAN 2023, the accounting is done as per the requirements of Ind AS 102 - Share-based payment. Consequently, Rs.7.25 crore (March 31, 2024: Rs.4.49 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 (net of recoveries of Rs. 0.21 crore) to the holding company of Rs.1.68 crore (March 31, 2024: Rs. 1.69 crore) in respect of options granted to employees of the Company and excludes net recovery of Rs.0.09 crore (March 31, 2024: Rs.0.01 crore) from its subsidiaries for options granted to their employees.

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Rs. in crore

35b Employee Stock Option Scheme of the Housing finance subsidiary:

The Housing finance Company has used fair value method to account for the compensation cost of stock options. Fair value of options is based on the valuation of the independent valuer using the Black -Scholes model.

Description of ESOP Scheme:

Particulars	ESOP
Vesting requirements	Stock Options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.
Vesting Conditions	25% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant
	25% on expiry of 36 months from the date of grant
	25% on expiry of 48 months from the date of grant
Method of Settlement	Equity settled

Number and weighted average exercise price of options

Sr. No	Particulars	31 March 2025		31 March 2024	
		Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
1	Outstanding at the beginning of the year	10,51,108	26.05	16,57,128	31.33
2	Granted during the year	-	-	-	-
3	Forfeited / Lapsed during the year	4,37,405	46.33	4,12,757	48.82
4	Exercised during the year	1,28,905	17.61	1,93,263	22.72
5	Outstanding at the end of the year	4,84,798	10.00	10,51,108	26.05
6	Exercisable at the end of the year	3,17,386	10.00	5,99,659	38.14

Range of exercise price and weighted average remaining contractual life of outstanding options:

Grant date	31 March 2025			31 March 2024		
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (₹)
07-Oct-17	-	0.00	67.00	2,35,143	0.52	67.00
08-Dec-17	-	0.00	67.00	42,853	0.69	67.00
16-Jan-18	-	0.00	67.00	18,000	0.79	67.00
16-Oct-19	19,051	1.21	10.00	35,854	1.93	10.00
18-Jan-21	22,500	2.18	10.00	37,912	2.83	10.00
21-Oct-21	3,97,769	2.42	10.00	6,06,802	3.36	10.00
19-Oct-22	45,478	3.05	10.00	74,544	4.14	10.00

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Rs. in crore

36 Employee benefits

General description of defined benefit plans

Gratuity
Most of the entities operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Most of the entities makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Post retirement medical
The Parent Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility -
The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -
If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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 Rs. 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:

Rs. in crore

	Particulars	Funded Plan Gratuity Year ended 31 March		Unfunded Plan Post retirement medical	
		2025	2024	**2025**	2024
I.	**Amounts recognised in the Statement of Profit & Loss**				
	Current service cost	**20.81**	18.62	-	-
	Net Interest cost	**2.00**	1.89	-	-
	Past service cost	-	-	**5.24**	-
	Interest Income	-	(6.94)	-	-
	Adjustment due to change in opening balance of Plan assets	-	(8.55)	-	-
	Total expenses included in employee benefits expense	**22.82**	5.02	**5.24**	-
II.	**Amount recognised in Other Comprehensive income**				
	Remeasurement (gains)/losses:				
	a) Actuarial (gains)/losses arising from changes in -				
	- demographic assumptions	**0.33**	(0.05)	-	-
	- financial assumptions	**(3.39)**	(6.28)	-	-
	- experience adjustments	**(14.02)**	1.84	-	-
	b) Return on plan assets, excluding amount included in net interest expense/ (income)	**4.41**	(7.34)	-	-
	Total amount recognised in other comprehensive income	**(12.67)**	(11.82)	-	-

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Mahindra & Mahindra Financial Services Limited

Notes to Consolidated Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

36 Employee benefits *(Continued)*

Details of defined benefit plans as per actuarial valuation are as follows: *(Continued)*

Rs. in crore

Particulars	Funded Plan Gratuity Year ended 31 March 2025	2024	Unfunded Plan Post retirement medical Year ended 31 March 2025	2024
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	173.93	150.27	-	-
Add/(less) on account of currency fluctuation	0.06	0.08	-	-
Current service cost	20.81	18.62	-	-
Past service cost	-	-	5.24	-
Interest expense	12.60	11.39	-	-
Remeasurement (gains)/losses arising from changes in -	-	-	-	-
- demographic assumptions	(1.51)	(0.08)	-	-
- financial assumptions	3.81	3.10	-	-
- experience adjustments	8.65	(3.00)	-	-
Benefits paid	(39.01)	(6.45)	-	-
Closing defined benefit obligation	179.35	173.93	5.24	-
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	152.32	117.82	-	-
Interest income	10.59	15.35	-	-
Expected return on plan assets	4.22	(7.34)	-	-
Contributions by employer	11.67	24.77	-	-
Adjustment due to change in opening balance of Plan assets	-	8.55	-	-
Actual Return on plan assets in excess of the expected return	(0.37)	(0.38)	-	-
Actual Benefits paid	(38.48)	(6.45)	-	-
Closing Fair value of plan assets	139.95	152.32	-	-
V. Net defined benefit obligation				
Defined benefit obligation	(179.35)	173.93	(5.24)	-
Fair value of plan assets	139.95	152.31	-	-
Surplus/(Deficit)	(39.40)	(21.62)	(5.24)	-
Current portion of the above	(39.40)	(7.52)	(0.09)	-
Non current portion of the above	-	(14.10)	(5.15)	-
VI. Expected contribution for the next reporting year	31.65	27.71	-	-

Actuarial assumptions and Sensitivity

	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
I. Actuarial assumptions				
Discount Rate (p.a.)	6.54%	7.50%	6.82%	-
Attrition rate	34.13 for age up to 30, 20.06 for age 31-50, 9.70 for 51 and above	27.00 for age up to 30, 15.00 for age 31-44, 5.00 for 45 and above	34.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	-
Expected rate of return on plan assets (p.a.)	6.54%	7.50%	NA	
Rate of Salary increase (p.a.)	7.00%	7.00%	0.00%	-
Medical cost inflation (p.a.)	NA	NA	7.00%	-
Retirement Age	60 years	60 years	60 years	-
In-service Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	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	(5.77)	(10.89)	(0.67)	-
One percentage point decrease in discount rate	6.25	11.98	0.80	-
One percentage point increase in Salary growth rate	6.16	11.97	0.01	-
One percentage point decrease in Salary growth rate	(5.80)	(10.84)	(0.01)	-
One percentage point increase in attrition rate	(0.36)	-	(0.42)	-
One percentage point decrease in attrition rate	0.38	-	0.47	-
One percentage point increase in medical inflation rate	-	-	0.78	-
One percentage point decrease in medical inflation rate	-	-	(0.66)	-
III. Maturity profile of defined benefit obligation				
Within 1 year	41.95	33.27	0.05	-
Between 1 and 5 years	97.22	149.53	0.71	-
Between 6 and 10 years	56.14		1.32	-
11 years and above	35.72	-	13.71	-

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 Rs.105.90 crore (31 March 2024: Rs. 105.90 crore) has been recognized in the Statement of profit and loss under the head " Employee benefits expense".

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Rs. in crore

36 Employee benefits *(Continued)*

Compensated Absences
The principal assumptions used in determining obligations for the Company are shown below:

Particulars	Year ended 31 March 2025	2024
Rate of discounting	6.54%	7.22%
Expected rate of salary increase	7.00%	7.00%
Attrition rate	31.08 for age up to 30, 22.10 for age 31-50, 12.24 for 51 and above	23.00 for age up to 30, 16.00 for age 31-44, 8.00 for 45 and above
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ultimate
Expenses recognised in statement of profit and loss	11.27	12.68

The Group has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2025
The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors
Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

Long Term Incentive Scheme

In the parent company, the Long-Term Incentive Plan is annually granted along with the performance cycle at the end of the financial year and determined on the individual performance rating criteria, awarded LTIP will vest equally in 3 years. This incentive scheme is launched in current financial year.

Actuarial assumptions and Sensitivity

Particulars	Year ended 31 March 2025	2024
Retirement Age	60 Years	-
Discount Rate	6.54%	-
Attrition Rate	8.00%	-
Performance Measurement	Higher employee rating	-

Reconciliation of the Liability recognised in the Balance Sheet:

Particulars	Year ended 31 March 2025	2024
Opening Net Liability	-	-
Expense recognised in the P&L	1.39	-
Contribution/Benefit Paid by the Company	-	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	1.39	-

The parent company has not funded its long term incentive plan liability and the same continues to remain as unfunded as at March 31, 2025
Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

37 Additional disclosures

i) During the financial years ended 31 March 2025 and 31 March 2024, 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 Parent and its indian subsidiaries and there is no proceedings initiated or pending against the Parent and its indian subsidiaries 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 March 31, 2025

	Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March 2025	Relationship with the Struck off company, if any, to be disclosed
1	SHIRIDI SRISAI SOLUTIONS PVT LIMITED	Receivables	0.18	External
2	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.04	External
3	SAMBODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.05	External
4	BALAJI INFRASTRUCTURE T&D PRIVATE LIMITED	Receivables	0.76	External
5	VH SQUARE HEALTHCARE PVT LTD	Receivables	0.06	External
6	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.07	External
7	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
8	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	-	External
9	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	-	External
10	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	-	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	-	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	-	External
14	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	-	External
15	RETONA MOTORS PRIVATE LIMITED	Receivables	0.09	External
16	CHOWDHARY MOTORS PRIVATE LIMITED	Payables	0.05	External
17	APARNA AUTOMOBILES PRIVATE LIMITED	Payables	0.01	External
18	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Payables	-	External
19	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
20	VMS CONSULTANTS PVT. LTD	Corporate Depositor	0.70	External
21	DREAMS BROKING PRIVATE LIMITED	Shares Held by Struck of Company	476*	External
22	UNICKON FINCAP PRIVATE LIMITED	Shares Held by Struck of Company	689*	External

* Number of Equity Shares

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₹ in crore

37 Additional disclosures *(continued)*

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 *(continued)*

As at March 31, 2024

	Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March 2024 (Rs. in crore)	Relationship with the Struck off company, if any,
1	ASVRJ LOGISTIC PRIVATE LIMITED	Receivables	0.00	External
2	MANSAROVAR INDIA AQUA BEVERAGES PRIVATE LIMITED	Receivables	-	External
3	SHIRIDI SRISAI SOLUTIONS PRIVATE LIMITED	Receivables	0.23	External
4	SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Receivables	0.09	External
5	MILLPOND HUMAN RESOURCE PRIVATE LIMITED	Receivables	0.05	External
6	SATHESRI AGRO PRODUCTS PRIVATE LIMITED	Receivables	0.04	External
7	CONSOLE CARGO LOGISTICS SERVICES (I)PRIVATE LIMITED	Receivables	0.06	External
8	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.06	External
9	PARVATHI LIFE SCIENCES (OPC) PRIVATE LIMITED	Receivables	-	External
10	MRA REFINO PRIVATE LIMITED	Receivables	-	External
11	PUNEETH TECHNO PROJECTS (OPC) PRIVATE LIMITED	Receivables	0.01	External
12	4 SQUARE FITNESS PRIVATE LIMITED	Receivables	0.01	External
13	COCOWINGS ENTERPRISES PRIVATE LIMITED	Receivables	0.01	External
14	KIRAN ENVIRO-TECH ENERGY PRIVATE LIMITED	Receivables	-	External
15	PALLAVI INFRA HOLDING PRIVATE LIMITED	Receivables	0.09	External
16	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.07	External
17	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.76	External
18	AUTO WORLD PRIVATE LIMITED	Receivables	-	External
19	ZAFCON ENGINEERING PRIVATE LIMITED	Receivables	0.01	External
20	LIANCE CONSULTANT&ENGINEERS PRIVATELIMITED	Receivables	0.00	External
21	FAIRDEAL MOTORS AND WORKSHOP PVT. LTD.	Payables	-	External
22	GOMATESHWAR INVESTMENTS PVT LTD	Corporate Depositor	0.02	External
23	SAFNA CONSULTANCY PRIVATE LIMITED	NCD	0.00	External
24	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
25	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

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.

38 Analytical Ratios

	As at March 31, 2025			As at March 31, 2024	% Variance	Reasons for variance (if above 25%)
	Numerator (Rs. in crores)	Denominator (Rs. In crores)	Ratio			
Total Capital ratio (CRAR)	21,437.51	1,16,967.79	**18.33%**	18.87%	-2.86%	NA
Tier - I capital ratio	17,835.12	1,16,967.79	**15.25%**	16.39%	-6.99%	NA
Tier - II capital ratio	3,602.40	1,16,967.79	**3.08%**	2.47%	24.49%	During the current year, the Company has raised Tier II capital of Rs 1,500 crores
Liquidity CoverageRatio	NA	NA	277%	311%	-10.93%	NA

39 Transactions in the nature of change in ownership in other entities
During the previous year, the Parent Company 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 September 22 2023 involving a pay-out of Rs.206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent Company effective from September 22 2023.

The consolidated financial statements of previous year have been given effect of this transaction to reflect the relevant accounting implications as at 30 September 2023 and the same has been carried forward in the results for the previous year ended 31 March 2024.

40 As required under the 'Companies (Audit and Auditors) Amendment Rules, 2021, read with sub-section 3 of Section 143 of the Companies Act, 2013, the Parent and its indian subsidiaries has used accounting software for maintaining its books of account for the financial year ended 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was not enabled at the database level to log any direct data changes, wherein adequate alternate control tools have been deployed to monitor the direct data changes effected at the data base level.

Further, as required under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the audit trail has been preserved by the Parent and its indian subsidiaries as per the statutory requirements for record retention.

Rs. in crore

41 Capital management

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Group determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Group.

The Parent Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, as applicable, the Parent Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Parent Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

The Parent Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by RBI, details of which are given below :-

Regulatory capital

	As at March 31, 2025	As at March 31, 2024
Tier - I capital	**17,835.12**	16,308.04
Tier - II capital	**3,602.40**	2,462.39
Total Capital	**21,437.51**	18,770.43
Aggregate of Risk Weighted Assets	**1,16,967.79**	99,531.86
Tier - I capital ratio	**15.25%**	16.39%
Tier - II capital ratio	**3.08%**	2.47%
Total Capital ratio	**18.33%**	18.86%

The housing finance business of the Group is subject to the capital adequacy requirements of the National Housing Bank (NHB) and has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by NHB.

42 Leases

I) In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

Rs. in crore

	As at March 31, 2025	As at March 31, 2024
Less than 1 year	**126.55**	112.54
1 - 3 years	**233.50**	223.77
3 - 5 years	**148.75**	148.91
More than 5 years	**110.54**	144.13
Total undiscounted lease liabilities	**619.34**	629.35

Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Rs. in crore

		Amount for the year ended March 31, 2025	March 31, 2024
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 31 "Depreciation, amortization and impairment")	103.65	99.65
ii)	Interest expense on lease liabilities (presented under note - 29 "Finance costs")	39.99	36.08
iii)	Expense relating to short-term leases (included in Rent expenses under note 33 " Other expenses")	4.19	17.10
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 33 " Other expenses")	11.78	12.29
v)	Payments for principal portion of lease liability	128.83	85.95
vi)	Additions to right-of-use assets during the year (refer note 11)	110.86	104.04
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")	434.02	435.15
viii)	Lease liabilities (presented under note - 20 "Other financial liabilities")	503.99	495.13

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 tenure 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.

Below are the list of risk mitigation strategy adopted by the group for the underlying assets as per provisions of Ind AS 116
- All the leased assets are insured.
- Hypothecation of assets in the name of the respective entity
- Asset confirmations is obtained from lesee's on quarterly basis.
- Security deposit obtained to reduce the exposure on a case to case basis based on Customer profile.
- Variable lease payments based on usage of vehicles

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Rs. in crore

42 Leases *(Continued)*

Other details are as follows:

Rs. in crore

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Gross carrying amount	**571.59**	457.80
Depreciation for the year	**86.62**	75.03
Accumulated Depreciation	**178.94**	128.31
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Gross carrying amount	**0.90**	2.71
Depreciation for the year	**0.01**	0.12
Accumulated Depreciation	**0.87**	2.68

The total future minimum lease rentals receivable for the non-cancellable lease period as at the Balance sheet date is as under:

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
i) New vehicles to retail customers on operating lease -		
Not later than one year	**124.58**	140.89
Later than one year but not later than five years	**225.38**	279.08
Later than five years	**0.01**	-
	349.97	419.97
ii) Used and refurbished vehicles to travel operators / taxi aggregators -		
Not later than one year	-	-
Later than one year but not later than five years	-	-
	-	-

III) In the cases where assets are given on finance lease (as lessor) -
Reconciliation of undiscounted lease payment to net investment :

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024
Gross Investment	**1,192.23**	827.32
Less : Unearned Income	**187.62**	143.71
Net Investment before charging allowance for Impairment loss	**1,004.61**	683.61
Less : Allowance for Impairment losses	**9.71**	6.51
Total Net Investment	**994.90**	677.10

Maturity analysis :

Rs. in crore

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Investment	448.81	743.36	0.06	1,192.23
Less : Unearned Income	95.07	92.55	-	187.62
Net investment before charging allowance for Impairment loss	353.74	650.80	0.06	1,004.61

43 Frauds reported during the year

There were **258 cases** (31 March 2024: 309 cases) of frauds amounting to **Rs.7.16 crore** (31 March 2024: Rs.143.15 crore) reported by the Group during the year. The Group has recovered an amount of **Rs.2.44 crore** (31 March 2024: Rs.6.07 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.

44 Contingent liabilities and commitments (to the extent not provided for)

Rs. in crore

	March 31, 2025	March 31, 2024
i) Contingent liabilities		
Demand against the Company not acknowledged as debts -		
- Income Tax matters where Company has gone in Appeal	**39.69**	44.51
- Goods & Service Tax matters where Company has gone in Appeal	**0.89**	0.89
- Service Tax matters where Company has gone in Appeal	**93.66**	90.30
- Value Added Tax matters where Company has gone in Appeal	**44.70**	44.70
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	**7.18**	6.59
Guarantees	**868.56**	1,451.69
Other money for which the Company is contingently liable	-	-
Sub-Total (i)	**1,054.68**	1,638.69
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	**97.34**	48.70
Other commitments	**766.08**	597.11
Sub-Total (ii)	**863.42**	645.81
Total	**1,918.10**	2,284.50

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.

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Rs. in crore

45 Transfer of financial assets

a) Transferred financial assets that are not derecognized in their entirety - Securitization transactions

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 Through 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:

Rs. in crore

Particulars	March 31, 2025	March 31, 2024
Securitisations -		
Carrying amount of transferred assets measured at amortised cost	**8,623.56**	5,589.23
Carrying amount of associated liabilities (Term Loan)	**8,732.98**	5,608.83
Fair value of assets (A)	**8,482.49**	5,425.67
Fair value of associated liabilities (B)	**8,909.62**	5,716.38
Net position at FV (A-B)	**(427.13)**	(290.71)

b) Transferred financial assets that are not derecognized in their entirety - Assignment Deals

During the year ended March 31, 2025, the parent company had sold loans and advances measured at amortized cost as per assignment deals undertaken by the company. As per the terms of these deals, since substantial risk and reward related to these assets were transferred to the buyer, the assets have been derecognized from the group's balance sheet to the extent of share of assignee.

The management of the parent company has evaluated the impact of assignment deals done during the year for its business model. Based on the future business plans, the parent company's business model remains to hold the assets for collecting contractual cash flows.

The Parrent Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 80% to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The following table provide a summary of the carrying amount of the derecognised financial assets:

Rs. in crore

Particulars	As at March 31, 2025	As at March 31, 2024*
Direct Assignment -		
Carrying amount of de-recognized financial assets measured at amortized cost	41.34	-
Carrying amount of exposures retained by the Company at amortised cost	10.33	-

*During the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

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.

47 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.

48 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended March 31, 2025

Rs. in crore

Particulars	March 31, 2024	Business Combination	Cash flows (net)	Exchange difference	Others	March 31, 2025
Debt securities	29,888.41	-	(1,189.48)	-	7.36	**28,706.29**
Borrowings (Other than debt securities)	56,789.54	-	14,668.23	43.39	33.14	**71,534.30**
Deposits	7,174.73	-	3,703.24	-	(13.88)	**10,864.09**
Subordinated liabilities	4,466.45	-	1,315.96	-	(2.45)	**5,779.96**
Lease liabilities	495.13	-	(114.84)	-	123.70	**503.99**
Total liabilities from financing activities	**98,814.26**	-	**18,383.11**	**43.39**	**147.87**	**1,17,388.63**

Year ended March 31, 2024

Rs. in crore

Particulars	March 31, 2023	Business Combination	Cash flows (net)	Exchange difference	Others	March 31, 2024
Debt securities	27,912.79	-	1,971.80	-	3.82	29,888.41
Borrowings (Other than debt securities)	44,154.40	-	12,699.37	(76.49)	12.26	56,789.54
Deposits	5,458.74	-	1,708.98	-	7.01	7,174.73
Subordinated liabilities	3,902.63	-	559.85	-	3.97	4,466.45
Lease liabilities	481.64	-	(105.22)	-	118.71	495.13
Total liabilities from financing activities	**81,910.20**	-	**16,834.78**	**(76.49)**	**145.77**	**98,814.26**

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Rs. in crore

49 Segment information

Primary segment (Business Segment)

The Group's business is organised in to following segments and the management reviews the performance based on the business segments as mentioned below:

Segment	Activities
Financing activities	Financing and leasing of automobiles, tractors, commercial vehicles, SMEs and housing finance.
Other reconciling items	Insurance broking, asset management services and trusteeship

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:

(Rs. in crore)

Particulars	Year ended 31st March 2025			Year ended 31st March 2024		
	Financing Activities	Others	Total	Financing Activities	Others	Total
External Revenue	**17,141.49**	**1,450.53**	**18,592.02**	14,919.74	1,094.93	16,014.67
Inter Segment Revenue	**-**	**-**	**61.56**	-	-	44.35
Net Revenue	**17,141.49**	**1,450.53**	**18,530.46**	14,919.74	1,094.93	15,970.32
Segment Results (Profit / (Loss) before tax) :	**2,790.68**	**236.23**	**3,026.91**	2,420.70	167.48	2,588.18
Add : Other unallocable income net of unallocable expenditure	**-**	**-**	**-**	-	-	-
Net Profit before tax	**2,790.68**	**236.23**	**3,026.91**	2,420.70	167.48	2,588.18
Segment Assets	**1,41,603.55**	**936.80**	**1,42,540.35**	1,21,353.89	826.63	1,22,180.52
Unallocated corporate assets	**-**	**-**	**1,564.91**	-	-	1,535.27
Total Assets			**1,44,105.26**			1,23,715.79
Segment Liabilities	**1,22,158.20**	**291.86**	**1,22,450.06**	1,03,363.70	248.63	1,03,612.33
Other unallocable liabilities	**-**	**-**	**82.22**	-	-	128.60
Total Liabilities			**1,22,532.28**			1,03,740.93

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Rs. in crore

50 Financial Risk Management Framework

In the course of its business, the Group is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Group's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy which has been approved by the Board of Directors of the respective Group companies.

Board of Directors of the Parent and its subsidiary in the housing finance business have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The financial services business is exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

50.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

a) Pricing Risk

The Group's Investment in 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 165.08 crore** (31st March 2024 : Rs 98.12 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 in accordance with its derivative Risk Management Policy which has been approved by its Board of Directors. 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:

Rs. in crore

	JPY	US Dollar	Total
as at March 31, 2025			
Financial Assets	-	-	-
Financial Liabilities	936.53	5,964.24	6,900.77
As at 31 March 2024			
Financial Assets	-	-	-
Financial Liabilities	1,270.88	831.17	2,102.05

Hedge Accounting - Forwards & Swaps

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of Ind AS 109 -Financial Instruments. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. Hedge effectiveness for all hedges are 100%.

Details of foreign currency forward contracts and swaps outstanding at the end of reporting period Rs. in crore

Outstanding Contracts	2025 Notional Value (#)	2025 Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)	2024 Notional Value (#)	2024 Carrying amount of hedging instrument included in Other Financial Assets / (Liabilities)
Cash Flow Hedges				
Buy Currency				
Maturing in 1+ years				
JPY/INR	-	-	831.13	(176.47)
USD/INR	5,141.00	(90.32)	-	-
Maturing less than year				
JPY/INR	831.13	(221.16)	4.39	(0.93)
USD/INR	827.70	17.08	827.70	(3.57)

There are no significant transactions of hedges which are ineffective.
\# Notional value of respective currency pair have been converted into presentation currency i.e. INR using year end closing exchange rate.

The movements in cash flow hedge reserve for instruments designated in a cash flow hedge are as follows: Rs. in crore

Particulars	2025 Exchange Rate Risk hedges	2025 Interest Rate Risk hedges	2025 Total	2024 Exchange Rate Risk hedges	2024 Interest Rate Risk hedges	2024 Total
Balance at the beginning of the year	(0.09)	(7.19)	(7.28)	5.30	(10.04)	(4.74)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction	-	-	-	-	-	-
Change in fair value of effective portion of cash flow hedges	4.71	(66.94)	(62.23)	(7.20)	3.81	(3.39)
Total	**4.62**	**(74.13)**	**(69.51)**	**(1.90)**	**(6.23)**	**(8.13)**
Deferred tax on the above	(1.19)	16.85	15.66	1.81	(0.96)	0.85
Balance at the end of the year	**3.43**	**(57.28)**	**(53.85)**	**(0.09)**	**(7.19)**	**(7.28)**
Of the above:						
Balance relating to continuing hedges	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.1 Market Risk *(Continued)*

Foreign Currency Sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

	Currency	Change in rate	Effect on OCI
Year ended 31 March 2025	INR/JPY	(+/-) 10.00%	(+/-) 93.77
	INR/USD	(+/-) 10.00%	(+/-) 599.07
Year ended 31 March 2024	INR/JPY	(+/-) 10.00%	(+/-) 127.38
	INR/USD	(+/-) 10.00%	(+/-) 83.37

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.

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:

The carrying value of floating rate loans is **Rs. 8,297.61 crore** (March 31, 2024: Rs. 6,451.18 crore) and floating rate borrowings is **Rs. 45,117.74 crore** (March 31, 2024: Rs.43,581.43 crore).

Rs. in crore

	Currency	Increase / decrease in basis points (Range)	Effect on profit before tax
Year ended 31 March 2025	INR	100	368.20
Year ended 31 March 2024	INR	100	388.68

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

Rs. in crore

Particulars	Offsetting recognised on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognised in balance sheet
Loan assets			
At 31 March' 2025	1,16,311.91	(97.89)	1,16,214.02
At 31 March' 2024	99,292.33	(97.15)	99,195.18

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management

Credit risk is the risk that the Group will incur a loss because its customers fail to discharge their contractual obligations. The Group has a comprehensive framework for monitoring credit quality of its retail and other loans based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

(i) **Credit quality of financial loans and investments**

The following table sets out information about credit quality of loan assets and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount.

Rs. in crore

Particulars	31 March 2025	31 March 2024
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	89,919.00	79,701.81
Past Due but not impaired :	-	-
1-30 days past due	9,970.55	6,836.64
31-90 days past due	6,499.43	5,133.38
Impaired (more than 90 days)	4,348.55	3,453.32
Total Gross carrying value as at reporting date	1,10,737.53	95,125.15

Rs. in crore

Particulars	31 March 2025	31 March 2024
Gross carrying value of Residential loan assets		
Neither Past due nor impaired	6,127.28	5,729.63
Past Due but not impaired :		
1-30 days past due	246.35	230.18
31-90 days past due	480.52	598.36
Impaired (more than 90 days)	648.95	650.91
Total Gross carrying value as at reporting date	7,503.09	7,209.08

Rs. in crore

Particulars	31 March 2025	31 March 2024
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	5,810.25	3,533.97
Past Due but not impaired :		
1-30 days past due	218.18	1,194.40
31-90 days past due	55.04	40.94
Impaired (more than 90 days)	65.07	43.10
Total Gross carrying value as at reporting date	6,148.54	4,812.41

Rs. in crore

Particulars	31 March 2025	31 March 2024
Gross carrying value of Trade Advances		
Less than 60 days past due	3,188.50	2,853.29
61-90 days past due	2.32	18.94
Impaired (more than 90 days)	8.38	6.87
Total Gross carrying value as at reporting date	3,199.20	2,879.10

Rs. in crore

Particulars	31 March 2025	31 March 2024
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	1,255.87	1,313.22
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	1,255.87	1,313.22

The Credit quality of the loans is monitored concurrently. Since the group is primarily into retail lending business, there is no significant credit risk of any individual customer that may impact the group adversely, and hence the Group has calculated its ECL allowances on a collective basis.

(ii) ***Inputs considered in the ECL model***

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been classified into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Group categorises Loan Assets (except trade advances) into stages primarily based on the Days Past Due status.
Stage 1 : 0-30 days past due
Stage 2 : 31-90 days past due
Stage 3 : More than 90 days

The Group categorises Trade Advances into stages primarily based on the Days Past Due status.
Stage 1 : 0-60 days past due
Stage 2 : 61-90 days past due
Stage 3 : More than 90 days

The ECL estimates are forward looking and include probability weighted outcomes. A macroeconomic overlay is applied to the observed default rate (ODR) considering portfolio specific macroeconomic factors that affect the Probability of Default (PD) due to underlying economic conditions of the country.
The Parent company has computed expected credit losses for Trade Advance Portfolio based on historical movement data, capturing transitions between stages and loss on historically written off unrecovered amounts from dealers.
For leasing portfolio comprising of Operating and Finance Lease, the parent company uses ECL coverage of Industry Peers in similar business line, considering limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

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50 **Financial Risk Management Framework *(Continued)***

50.2 **Credit Risk Management *(Continued)***

(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.

Since the group's portfolio predominantly includes retail loan portfolio with around 3 million loan accounts making it difficult to define default at an individual loan account, the group has considered 90 days past due as the event of default. The same is also in line with the regulator's definition of default of 90 days past due.

(iv) ***Exposure at default***

"Exposure at Default" (EAD) represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(v) ***Estimations and assumptions considered in ECL model***

The Parent Company has made the following assumptions in the ECL Model:
a) Loss Given Default (LGD):
- LGD represents expected losses on the EAD given the event of default, taking into account the time value of cash flows from the date of default, discounted on effective interest rate (EIR). It is an estimate of the loss from a transaction given that a default occurred.

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.

b) Probability of Default (PD):
- It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- For Stage 1 assets, 12 months PD is considered which represents default events that are possible within 12 months after the reporting date.
- For Stage 2 assets , life time PD is considered which represents default events that are possible over the expected life / tenor of the financial instrument.
- PD is applied on Stage 1 and Stage 2 assets on a portfolio basis;
- For Stage 3 assets, PD is always at 100% as these are impaired assets.

The underlying methodology of Historical PD calculation remains the same for both Stage 1 and Stage 2 assets.

(vi) ***Measurement of ECL***

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of respective portfolios over a period of time have been applied to determine impact of macroeconomic factors.

ECL allowance (or provision) on Stage 1 and Stage 2 assets is measured using portfolio approach, whereas impairment provisions on Stage 3 assets is measured at each individual asset / instrument level

- Financial assets that are not credit impaired at the reporting date:
ECL for Stage 1 : Gross exposure is multiplied by PD and Composite LGD percentage to arrive at the ECL allowance;
- Financial assets that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment:
ECL for Stage 2 ; Future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and Composite LGD percentage and thus arrived ECL allowance is then discounted with the respective loan EIR to calculate the present value of ECL allowance. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.

- Financial assets that are credit impaired at the reporting date:
ECL for Stage 3: Difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and PV of actual cash flows till reporting date including compounded interest at loan EIR on net carrying value.
For Stage 3 assets in retail portfolio, ECL allowance is calculated separately as follows:
- Stage 3 assets with ageing up to 18 months (<=540 DPD)
ECL allowance = (Gross exposure on reporting date less Required Carrying value-A)
Required Carrying value-A = (EAD less ECL allowance at Composite LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR)
- Stage 3 assets with ageing more than 18 months (>540 DPD)
ECL allowance = (Gross exposure on reporting date less Required Carrying value-B)
Required Carrying value-B = (EAD less ECL allowance at Higher LGD rate less PV of actual cashflows till reporting date plus interest compounded @ loan EIR)

- Undrawn loan commitments:
ECL on undrawn loan commitments is calculated basis the Stage in which that particular customer already exists.

ECL on Small and Medium Enterprise (SME) portfolio:
For loans provided under SME vertical, the general approach / methodology remains similar to the retail vehicle loans.
The Business Enterprise and Retail Enterprise Portfolio has been further segregated into secured and unsecured portfolio.
A distinct PD specific to secured loans, including LAP, has been derived based on historical performance.
A separate PD has been calculated for unsecured loans, reflecting their higher risk profile.
Segmenting PD by secured and unsecured loans improves precision in risk measurement and aligns with the portfolio composition.
The portfolio's Observed Default Rate (ODR) is modelled using historical data (secured and unsecured loans considered together), leveraging an approach similar to Wheels Business incorporating a three variable regression model.
The LGD approach focuses exclusively on cases where loans have defaulted, and all associated collections have been fully realized.

ECL on Lease business portfolio:
The customer segment of the Parent Company catered under leasing business consist of employees of corporates (Employee Lease Programs) and B2B segment which includes business entities, firms, trusts and societies, fleet operators, commercial vehicles, construction equipment etc.

Since the Lease business comprising Operating and Finance lease was relatively new line of business, there is limited history of collection and loss data for the completed life cycle for these portfolios which is needed for determining PD and LGD parameters for computation of ECL allowance.

In view of the above, the Parent Company has adopted Industry level benchmark, i.e. ECL coverage rate, for estimating ECL allowance on operating and finance lease portfolio considering the similarities in products offered, customer segments catered and average tenure of lease contracts

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

ECL on Trade Advance portfolio:
The portfolio comprises of short-term advance to M&M and Non M&M dealers.
The Interest-Free Trade Advance (IFTA) period generally ranges between 15 days to 75 days for Trade Advance (TA) facilities offered to dealers.
SICR is assumed at 60 days past the lending date, considering the due date logic instead of Days Past Due (DPD) logic.

The Parent Company has computed Through the Cycle (TTC) PDs based on month-on-month transition matrix of historical movement data, capturing transitions between stages. These transition probabilities are used as input to calculate TTC PDs. Given the short tenure of the facility, management believes that the impact of macro economic factors may not impact the PD of the portfolio in the short span.

The Parent Company has historically written off unrecovered amounts from dealers in adherence to the Technical Write off policy. The portfolio's own historical experience provides a reliable LGD estimate which is considered for ECL computation.

ECL on Investments:
The group applies a structured and comprehensive ECL approach to three critical investment categories: Investments in Government Securities (G-Secs), Bonds, Commercial Papers (CPs), and Certificates of Deposit (CDs), Liquidity Pools for Short-Term Requirements, and Pass-Through Certificates (PTCs) from securitisation transactions.

i. Investments in G-Secs, Bonds, CP, and CD
Investments in G-Secs, Bonds, CP, and CD are measured at fair value through profit and loss (FVTPL) or other comprehensive income (FVOCI).
Periodic revaluations ensure that market fluctuations and credit risks are accurately captured.
Fluctuations in fair value are recorded in the profit and loss account or other comprehensive income, depending on the classification of the asset.

ii. Liquidity Pool Investments
Liquidity pool investments are categorized as financial assets measured at fair value through profit or loss (FVTPL) or other comprehensive income (FVOCI) as per Ind AS 109.
Regular revaluations align their valuation with prevailing market conditions.
Fluctuations in the fair value are recorded directly in the profit and loss account or other comprehensive income, depending on the classification.

Exemption from Impairment Testing:
Since these assets are measured at fair value, additional impairment testing is not required under Ind AS 109. The fair value inherently reflects:
a. Market Volatility: Adjustments for prevailing economic and market conditions.
b. Credit Risk: Assessment of the issuer's creditworthiness.
c. Governance Practices: Regular compliance reviews ensure alignment with regulatory guidelines.Transparent reporting of valuation methodologies enhances stakeholder confidence.

iii. Pass through Certificates (PTCs):
The creditworthiness of the underlying loan pool is assessed using historical performance data, default rates, and recovery trends.
Insights from these evaluations guide the classification and risk provisioning of PTC investments.

Stage Classification:
Stage 1: Investments with low credit risk, requiring computation of 12-month ECL.
Stage 2: Investments with a significant increase in credit risk, necessitating lifetime ECL.
Stage 3: Defaulted investments, for which lifetime ECL is calculated with elevated provisioning requirements.

ECL Estimation Metrics:
Probability of Default (PD): Based on historical data and forward-looking macroeconomic factors.
Loss Given Default (LGD): Reflecting recovery rates and collateral quality.
Exposure at Default (EAD): The total value exposed to credit risk.
Time Value Adjustment: Future ECL amounts are discounted to present value using the effective interest rate, ensuring accurate reflection of economic impacts.

ECL on Other Financial Assets:
MMFSL has Simplified Approach to Expected Credit Loss (ECL) under Ind AS 109 for other financial assets that involve credit risk. This approach is considered suitable for as receivables portfolios as aging and historical recovery trends are the primary drivers of credit risk assessment. These assets include receivables, Insurance Claims, Professional Charges, Interest Receivables (Interest accrued but not yet received), Brokerage etc.

The calculation of lifetime ECL is based on historical coverage rates which incorporates Probability of Default (PD) and Loss Given Default (LGD). The coverage rate is used to estimate the credit loss for each aging bucket, avoiding the need to compute PD and LGD separately.

Receivables Outstanding ≤ 90 DPD: A specific coverage rate is applied based on historical recovery patterns from wheels portfolio which is the largest portfolio for MMFSL and reflects long term trends.

Receivables Outstanding > 90 DPD: A 100% coverage rate is applied, assuming all receivables aged beyond 90 days are fully uncollectible based on historical trends.

50.2 Credit Risk Management *(Continued)*
(vii) Forward Looking adjustments

The Historical PDs are converted into forward looking Point-in-Time PDs using statistical model incorporating the forward looking economic outlook, as required by Ind AS 109.

The macroeconomic variables considered by the Group are robust reflections of the state of economy which result into systematic risk for the respective portfolio categories.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the 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. As per Ind AS 109, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of a SICR. A SICR occurs when there has been a significant increase in the risk of a default occurring over the expected life of a financial instrument. In line with Basel guidance on ECL, the definition of default and the convention for counting days past due adopted for accounting purposes will be guided by the definition used for regulatory purposes The Group considers reasonable and supportable information that is relevant and available without undue cost and effort. The Group's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk (SICR). As a result, the Group monitors all financial assets and loan commitments that are subject to impairment for SICR.

As a part of the qualitative assessment of whether a customer is in default, the Parent company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Parent company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations. Such qualitative factors include: -
i. A Stage 3 customer having other loans which are in Stage 1 or 2.
ii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans
iii. Retail vehicle loans, where asset has been repossessed.
iv. Cases where Company suspects fraud and legal proceedings are initiated.
v. SME loans where the Company has resorted to its rights under the SARFAESI Act
vi. Exposure of co –applicant is considered for provision in Stage 3.

Further, the Group classifies certain category of exposures in to Stage 3 and makes accelerated provision upto 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.
The Group regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(ix) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

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Notes to Consolidated Financial Statements *(Continued)*
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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

Inputs considered in the ECL model (Continued)

(x) ***Inputs to the model of Retail Loan portfolio of the parent company.***

a.Observed Default Rates (ODRs) over past 60 months for each product category
b.Macro economic variables provided by Economist Intelligence Unit (EIU)# for the past 5 years
c.Macro economic variables projected by EIU for the next 5 years

The Economist Intelligence Unit (EIU) is the research and analysis division of the Economist Group, providing forecasting, macro-economic analysis and advisory services through research and analysis, such as monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports.

A. Model process

a. Macro economic historical variables are tested for statistical robustness and filtered
b. These are converted into quarterly numbers applying cubic spline technique
c. Variables that are acceptable are regressed with historical ODRs, considering 3 variables at a time.
d. These combinations are further tested for statistical robustness.
e. Those that pass the test are sorted on R squared (fitness) and the best fit is selected.
f. This combination is passed through the Vasicek model to derive scalars that are used to project future PDs.

B. In the selection of macro-economic variables, the management considers best combination of variables for its respective product categories based on statistically tested model output representing higher level of correlation and as well as those which have business relevance as per management assessment.

C. In the selection of macro-economic variables for the best combination, the following parameters are considered:

a. GDPP is considered as one of 3 variables compulsorily.
b. Second Variable is from below list of parameters selected by the management which are considered relevant to the business:

Description
Real GDP (% change pa)
Nominal GDP (PPP$)
Real private consumption (LCU)
Real government consumption (LCU)
Real gross fixed investment (LCU)
Real exports of G&S (LCU)
Real imports of G&S (LCU)
Real domestic demand (LCU)
Real GDP (PPP US$ at 2010 prices)
Real private consumption (US$ at 2010 prices)
Real gross fixed investment (US$ at 2010 prices)
Nominal GDP (LCU)
Nominal private consumption (LCU)
Nominal government consumption (LCU)
Nominal gross fixed investment (LCU)
Nominal exports of G&S (LCU)
Nominal imports of G&S (LCU)
Nominal domestic demand (LCU)
Nominal GDP (US$)
Nominal private consumption (US$)
Nominal government consumption (US$)
Nominal gross fixed investment (US$)
Nominal exports of G&S (US$)
Nominal imports of G&S (US$)
Nominal domestic demand (US$)
GDP deflator (2010=100; av)
Real agriculture (LCU)
Consumer prices (% change pa; av)
Lending interest rate (%)
Budget revenue (LCU)
Budget expenditure (LCU)
Domestic credit growth (%)
Consumer price index (av)
Consumer price index (end-period)

c. Third Variable is selected by model

D. Where scalars derived are beyond reasonable levels, a cap and a floor is applied to reduce variability.
E. Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied

Impairment loss

The expected credit loss allowance provision for Retail Loans including Finance lease is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	99,889.55	6,499.43	4,348.55	1,10,737.53
Expected credit loss rate	0.54%	9.00%	50.79%	
Carrying amount as at March 31, 2025 (net of impairment provision)	99,345.58	5,914.76	2,139.73	1,07,400.07
Gross Balance as at 31 March 2024	86,538.45	5,133.38	3,453.32	95,125.15
Expected credit loss rate	0.68%	11.39%	63.16%	
Carrying amount as at 31 March 2024 (net of impairment provision)	85,950.02	4,548.64	1,272.22	91,770.88

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Notes to Consolidated Financial Statements *(Continued)*
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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

Impairment loss *(Continued)*

The expected credit loss allowance provision for **Residential Loans** is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	6,373.62	480.51	648.95	7,503.08
Expected credit loss rate	0.17%	9.90%	84.90%	
Carrying amount as at March 31, 2025 (net of impairment provision)	6,362.81	432.93	97.99	6,893.73
Gross Balance as at 31 March 2024	5,959.81	598.36	650.91	7,209.08
Expected credit loss rate	0.27%	8.23%	32.36%	
Carrying amount as at 31 March 2024 (net of impairment provision)	5,943.89	549.11	440.30	6,933.30

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	6,028.43	55.04	65.07	6,148.54
Expected credit loss rate	0.22%	33.50%	76.15%	
Carrying amount as at March 31, 2025 (net of impairment provision)	6,015.25	36.60	15.52	6,067.37
Gross Balance as at 31 March 2024	4,728.37	40.94	43.10	4,812.41
Expected credit loss rate	0.66%	11.51%	62.85%	
Carrying amount as at 31 March 2024 (net of impairment provision)	4,697.08	36.23	16.01	4,749.32

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

Rs. in crore

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at March 31, 2025	3,188.50	2.32	8.38	3,199.20
Expected credit loss rate	0.71%	4.74%	29.83%	
Carrying amount as at March 31, 2025 (net of impairment provision)	3,166.00	2.21	5.88	3,174.09
Gross Balance as at 31 March 2024	2,853.29	18.94	6.87	2,879.10
Expected credit loss rate	0.40%	5.63%	100.00%	
Carrying amount as at 31 March 2024 (net of impairment provision)	2,841.88	17.87	-	2,859.75

The contractual amount outstanding for trade advance that has been written off by the Group during the year ended 31 March 2025 and that were still subject to enforcement activity was Rs 1.60 crore (31 March 2024: 3.36 crore).

The expected credit loss allowance provision for **Financial Investments measured at amortised cost** is determined as follows:

Rs. in crore

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at March 31, 2025	1,255.87	-	-	1,255.87
Expected credit loss rate	-			
Carrying amount as at March 31, 2025 (net of impairment provision)	1,255.87			1,255.87
Gross Balance as at 31 March 2024	1,313.22	-	-	1,313.22
Expected credit loss rate	0.00%			
Carrying amount as at 31 March 2024 (net of impairment provision)	1,313.22			1,313.22

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.

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

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

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31 March 2023	**67,309.00**	**4,906.91**	**3,692.31**	**75,908.22**
Changes in opening balance due to currency fluctuation	10.49	6.10	4.19	20.78
Addition due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1,054.19	(941.77)	(112.42)	-
- Transfers to Stage 2	(3,862.13)	3,945.18	(83.05)	-
- Transfers to Stage 3	(1,396.62)	(697.28)	2,093.90	-
- Loans that have been derecognised during the period	(8,870.25)	(1,299.63)	(1,250.64)	(11,420.52)
New loans originated during the year	48,370.38	755.97	309.15	49,435.50
Write-offs	(2.42)	(9.56)	(976.16)	(988.14)
Impact of changes on items within the same stage	(16,074.13)	(1,532.56)	(224.00)	(17,830.69)
Write down of identified assets as a result of impairment loss provision against equity investment in a subsidiary	-	-	-	-
Gross carrying amount balance as at 31 March 2024	**86,538.51**	**5,133.36**	**3,453.28**	**95,125.15**
Changes in opening balance due to currency fluctuation	7.90	1.35	0.50	9.75
Addition due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	998.28	(909.97)	(88.31)	-
- Transfers to Stage 2	(5,543.16)	5,628.02	(84.86)	-
- Transfers to Stage 3	(1,951.50)	(1,075.03)	3,026.53	-
- Loans that have been derecognised during the period	(9,015.44)	(1,038.84)	(1,075.67)	(11,129.95)
New loans originated during the year	49,146.52	716.81	218.91	50,082.24
Write-offs	(5.67)	(31.81)	(772.51)	(809.99)
Impact of changes on items within the same stage	(20,285.82)	(1,924.49)	(329.36)	(22,539.67)
Gross carrying amount balance as at March 31, 2025	**99,889.62**	**6,499.40**	**4,348.51**	**1,10,737.53**

Reconciliation of ECL balance

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31 March 2023	534.97	519.94	2,173.45	3,228.36
Changes in opening balance due to currency fluctuation	0.13	0.17	0.46	0.76
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	165.50	(100.23)	(65.27)	-
- Transfers to Stage 2	(30.78)	78.31	(47.53)	-
- Transfers to Stage 3	(11.11)	(74.34)	85.45	-
- Loans that have been derecognised during the period	(70.19)	(135.23)	(725.96)	(931.38)
New loans originated during the year	327.80	82.58	192.77	603.15
Write-offs	(0.02)	(1.00)	(575.64)	(576.66)
Impact of changes on items within the same stage	(327.87)	214.54	1,143.37	1,030.04
ECL allowance balance as at 31 March 2024	**588.43**	**584.74**	**2,181.10**	**3,354.27**
Changes in opening balance due to currency fluctuation	0.06	0.02	0.10	0.18
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	159.90	(104.34)	(55.56)	-
- Transfers to Stage 2	(37.78)	91.04	(53.26)	-
- Transfers to Stage 3	(13.29)	(123.59)	136.88	-
- Loans that have been derecognised during the period	(63.55)	(119.47)	(677.26)	(860.28)
New loans originated during the year	279.63	62.60	108.37	450.60
Write-offs	(0.04)	(3.66)	(486.86)	(490.56)
Impact of changes on items within the same stage	(347.63)	197.32	1,055.32	905.01
ECL allowance balance as at March 31, 2025	**565.73**	**584.66**	**2,208.83**	**3,359.22**

The contractual amount outstanding on financial assets that has been written off by the Parent Company during the year ended 31 March 2025 and that were still subject to enforcement activity was **Rs 575.52 crore** (31 March 2024: Rs 1,006.22 crore).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Residential Loans is, as follows:

Gross exposure reconciliation

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31 March 2023	**5,366.69**	**1,080.20**	**753.04**	**7,199.93**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(211.50)	151.74	59.76	-
- Transfers to Stage 2	189.81	(305.69)	115.88	-
- Transfers to Stage 3	23.12	16.04	(39.16)	-
- Loans that have been derecognised during the period	(608.96)	(177.57)	(176.49)	(963.02)
New loans originated during the year	1,794.77	1.07	0.47	1,796.31
Write-offs	-	-	(113.25)	(113.25)
Impact of changes on items within the same stage	(594.12)	(167.43)	50.66	(710.89)
Gross carrying amount balance as at 31 March 2024	**5,959.81**	**598.36**	**650.91**	**7,209.08**
Changes due to loans recognised in the opening balance that have				
- Transfers to Stage 1	(325.09)	257.97	67.12	-
- Transfers to Stage 2	69.17	(138.40)	69.23	-
- Transfers to Stage 3	7.76	6.17	(13.93)	-
- Loans that have been derecognised during the period	(653.29)	(120.44)	(117.86)	(891.59)
New loans originated during the year	1,819.08	4.14	1.97	1,825.19
Write-offs	-	-	(67.15)	(67.15)
Impact of changes on items within the same stage	(503.81)	(127.28)	58.65	(572.44)
Gross carrying amount balance as at March 31, 2025	**6,373.63**	**480.52**	**648.94**	**7,503.09**

Reconciliation of ECL balance on Residential Loans

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31 March 2023	**52.29**	**94.55**	**207.83**	**354.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(2.67)	1.79	0.88	-
- Transfers to Stage 2	16.61	(26.74)	10.13	-
- Transfers to Stage 3	6.75	4.77	(11.52)	-
- Loans that have been derecognised during the period	(6.63)	(15.52)	(57.57)	(79.72)
New loans originated during the year	4.03	0.17	0.14	4.34
Write-offs	-	-	(31.20)	(31.20)
Impact of changes on items within the same stage	(54.46)	(9.77)	91.91	27.68
ECL allowance balance as at 31 March 2024	**15.92**	**49.25**	**210.60**	**275.78**
Changes due to loans recognised in the opening balance that have				
- Transfers to Stage 1	(1.64)	1.27	0.37	-
- Transfers to Stage 2	6.63	(11.63)	5.00	-
- Transfers to Stage 3	2.69	2.18	(4.87)	-
- Loans that have been derecognised during the period	(2.00)	(7.76)	(40.37)	(50.13)
New loans originated during the year	1.49	0.83	0.57	2.89
Write-offs	-	-	(30.66)	(30.66)
Impact of changes on items within the same stage	(12.29)	13.46	410.31	411.48
ECL allowance balance as at March 31, 2025	**10.81**	**47.60**	**550.95**	**609.36**

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 31 March 2025 and are under enforcement activity was Rs. 37.44 crores (31 March 2024 : Rs. 66.25 crore)

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Rs in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

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

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31 March 2023	**4,386.46**	**20.53**	**49.69**	**4,456.68**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	6.58	(6.26)	(0.32)	-
- Transfers to Stage 2	(42.40)	43.43	(1.03)	-
- Transfers to Stage 3	(30.33)	(7.40)	37.73	-
- Loans that have been derecognised during the period	(1,406.70)	(4.84)	(4.12)	(1,415.66)
New loans originated during the year	2,910.39	4.76	2.64	2,917.79
Write-offs	(0.41)	(0.19)	(38.52)	(39.12)
Impact of changes on items within the same stage	(1,095.22)	(9.09)	(2.97)	(1,107.28)
Gross carrying amount balance as at 31 March 2024	**4,728.37**	**40.94**	**43.10**	**4,812.41**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	7.86	(7.67)	(0.19)	0.00
- Transfers to Stage 2	(41.17)	41.82	(0.65)	(0.00)
- Transfers to Stage 3	(69.23)	(8.23)	77.46	-
- Loans that have been derecognised during the period	(1,745.49)	(12.41)	(6.22)	(1,764.12)
New loans originated during the year	3,917.60	15.90	0.81	3,934.31
Write-offs	(8.04)	(3.99)	(28.80)	(40.83)
Impact of changes on items within the same stage	(761.46)	(11.32)	(20.45)	(793.23)
Gross carrying amount balance as at March 31, 2025	**6,028.44**	**55.04**	**65.06**	**6,148.54**

Reconciliation of ECL balance

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31 March 2023	**15.85**	**1.99**	**28.37**	**46.21**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	0.78	(0.58)	(0.20)	-
- Transfers to Stage 2	(0.23)	0.88	(0.65)	-
- Transfers to Stage 3	(0.15)	(0.81)	0.96	-
- Loans that have been derecognised during the period	(1.69)	(0.35)	(2.59)	(4.63)
New loans originated during the year	4.09	0.58	1.21	5.88
Write-offs	-	(0.02)	(21.38)	(21.40)
Impact of changes on items within the same stage	(10.57)	3.33	13.64	6.40
ECL allowance balance as at 31 March 2024	**8.08**	**5.02**	**19.37**	**32.47**
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	1.03	(0.94)	(0.09)	-
- Transfers to Stage 2	(0.12)	0.41	(0.30)	(0.01)
- Transfers to Stage 3	(0.21)	(1.00)	1.20	(0.01)
- Loans that have been derecognised during the period	(1.46)	(1.53)	(2.85)	(5.84)
New loans originated during the year	7.31	6.08	0.61	14.00
Write-offs	(0.02)	(0.49)	(12.84)	(13.35)
Impact of changes on items within the same stage	(1.41)	10.89	44.43	53.91
ECL allowance balance as at March 31, 2025	**13.20**	**18.44**	**49.53**	**81.17**

The contractual amount outstanding on financial assets that has been written off by the Group during the year ended 31 March 2025 and that were still subject to enforcement activity was Rs. 24.45 crore (31 March 2024: Rs.40.48 crore).

The increase in ECL of the portfolio was driven by increase in the gross size of the portfolio.

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Notes to Consolidated Financial Statements *(Continued)*
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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

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

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31 March 2023	**504.99**	**0.06**	**(0.00)**	**505.05**
Changes due to loans recognised in the opening balance that have:				
New Exposures	559.62	0.03	-	559.64
Exposure derecognised or matured/ lapsed (excluding write-offs)	(569.03)	(0.04)	(0.00)	(569.07)
- Transfers to Stage 1	(0.80)	0.71	0.09	(0.00)
- Transfers to Stage 2	0.01	(0.01)	0.00	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(24.79)	(0.13)	-	(24.92)
Gross carrying amount balance as at 31 March 2024	**470.00**	**0.62**	**0.09**	**470.71**
Changes due to loans recognised in the opening balance that have:				
New Exposures	731.45	0.15	0	731.60
Exposure derecognised or matured/ lapsed (excluding write-offs)	(537.21)	(0.63)	(0.10)	(537.94)
- Transfers to Stage 1	(0.41)	0.36	0.05	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(24.59)	(0.10)	-	(24.69)
Gross carrying amount balance as at March 31, 2025	**639.24**	**0.40**	**0.04**	**639.68**

Reconciliation of ECL balance on loan commitments

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31 March 2023	**3.79**	**0.01**	**0.00**	**3.80**
Changes due to loans recognised in the opening balance that have:				
New Exposures	0.90	0.00	-	0.91
Exposure derecognised or matured/ lapsed (excluding write-offs)	0.02	-	-	0.02
- Transfers to Stage 1	(0.44)	0.01	0.00	(0.43)
- Transfers to Stage 2	0.00	(0.00)	0.00	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(2.99)	(0.00)	(0.00)	(2.99)
Impact of changes on items within the same stage	(0.29)	0.02	0.02	(0.24)
ECL allowance balance as at 31 March 2024	**1.00**	**0.04**	**0.03**	**1.06**
Changes due to loans recognised in the opening balance that have:				
New Exposures	1.02	0.02	-	1.04
Exposure derecognised or matured/ lapsed (excluding write-offs)	(0.02)	-	-	(0.02)
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(0.85)	(0.04)	(0.02)	(0.91)
Impact of changes on items within the same stage	(0.09)	0.02	0.01	(0.06)
ECL allowance balance as at March 31, 2025	**1.06**	**0.04**	**0.02**	**1.11**

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

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

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 31 March 2023	1,446.68	-	-	1,446.68
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	(163.42)	-	-	(163.42)
New Investments originated during the year	124.98	-	-	124.98
Write-offs	-	-	-	-
Impact of changes on items within the same stage	29.96	-	-	29.96
Gross carrying amount balance as at 31 March 2024	1,438.20	-	-	1,438.20
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	(144.70)	-	-	(144.70)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(37.63)	-	-	(37.63)
Gross carrying amount balance as at March 31, 2025	1,255.87	-	-	1,255.87

Reconciliation of ECL balance

Rs. in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 31 March 2023	0.98	-	-	0.98
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(0.98)	-	-	(0.98)
ECL allowance balance as at 31 March 2024	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	-	-	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Investments that have been derecognised during the period	-	-	-	-
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	-	-	-	-
ECL allowance balance as at 31 March 2025	-	-	-	-

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:

Rs. in crore

Particulars	as at March 31, 2025	As at 31 March 2024
Concentration by Geographical region in India:		
North	41,710.40	34,300.30
East	22,789.92	21,138.72
West	37,449.66	31,846.11
South	25,204.37	22,498.98
	1,27,154.35	1,09,784.11
Concentration by Geographical region outside India:		
Sri Lanka	434.01	241.64
	434.01	241.64
Total Gross Carrying Value	1,27,588.36	1,10,025.75

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.

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

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 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

Rs. in crore

Loan To Value	Gross Value of Secured Retail loans		Gross Value of total Residential loans		Gross Value of Secured SME loans	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024	**31 March 2025**	31 March 2024
0 - 50%	**7,607.69**	6,381.86	**2,973.69**	2,845.03	**2,183.72**	1,720.07
51 - 70%	**16,218.36**	13,688.35	**2,391.55**	2,440.42	**1,074.94**	917.03
71 - 100%	**64,950.55**	57,039.81	**2,137.73**	1,922.68	**610.80**	300.27
Above 100%	**21,244.74**	17,397.09	**-**	-	**41.14**	233.26
	1,10,021.34	94,507.11	**7,502.97**	7,208.13	**3,910.60**	3,170.63

Gross value of credit impaired loans to value of collateral

Rs. in crore

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	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024	**31 March 2025**	31 March 2024
0 - 50%	**608.06**	103.22	**309.14**	300.05	**27.51**	7.46
51 - 70%	**717.54**	122.78	**247.93**	264.11	**5.10**	1.34
71 - 100%	**1,783.27**	482.66	**91.88**	86.75	**6.31**	1.30
Above 100%	**1,239.64**	2744.62	**-**	-	**26.15**	33.01
	4,348.51	**3,453.28**	**648.95**	**650.91**	**65.07**	**43.11**

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.2 Credit Risk Management *(Continued)*

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

Rs. in crore

		Fair value of collateral held against Credit Impaired assets							
31-Mar-25	**Maximum exposure to Credit Risk**	**Vehicles**	**Plant and Machinery**	**Land and Building**	**Book Debts, Inventory and other Working Capital items**	**Surplus/ (Deficient) Collateral**	**Total Secured Collateral**	**Net Exposure**	**Associated ECL**
Retail Loans	**4,348.51**	**6,763.26**	-	-	-	**2,596.74**	**4,166.52**	**181.99**	**2,208.83**
Residential Loans	**648.95**	-	-	**1,395.32**	-	**764.84**	**630.48**	**18.47**	**550.95**
SME Loans	**65.07**	-	**42.57**	**38.15**	**44.00**	**85.69**	**39.03**	**26.04**	**49.53**

31-Mar-24	**Maximum exposure to Credit Risk**	**Vehicles**	**Plant and Machinery**	**Land and Building**	**Book Debts, Inventory and other Working Capital items**	**Surplus/ (Deficient) Collateral**	**Total Secured Collateral**	**Net Exposure**	**Associated ECL**
Retail Loans	3,453.28	2,588.15	-	-	-	**381.64**	2,206.51	1,246.77	2,181.10
Residential Loans	650.91	-	-	1,402.48	-	**763.41**	639.07	11.84	210.60
SME Loans	43.11	-	25.98	43.52	0.07	**62.88**	6.69	36.42	19.37

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50 Financial Risk Management Framework *(Continued)*

50.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. 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.

Rs. in crore

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-25				
Trade Payable :	1,459.08	0.16	-	-
Debt Securities :				
- Principal	10,146.00	8,459.63	6,062.60	4,110.50
- Interest	1,865.85	2,438.30	1,236.68	811.80
Borrowings (Other than Debt Securities) :				
- Principal	26,054.81	38,712.45	7,010.70	68.79
- Interest	4,291.57	3,814.30	308.55	0.51
Deposit :				
- Principal	4,150.50	5,926.04	1,030.53	-
- Interest	629.58	1,131.32	279.76	-
Subordinated liabilities :				
- Principal	235.00	1,587.25	471.87	3,506.86
- Interest	479.93	786.29	621.81	1,048.66
Other financial liabilities :	636.23	216.94	156.71	127.30
Total	**49,948.55**	**63,072.69**	**17,179.22**	**9,674.42**
31-Mar-24				
Trade Payable :	1,743.53	-	-	-
Debt Securities :				
- Principal	10,454.27	12,217.77	1,038.69	6,177.68
- Interest	2,123.66	2,704.14	1,116.28	1,502.63
Borrowings (Other than Debt Securities) :				
- Principal	19,387.42	27,985.68	9,305.32	111.12
- Interest	3,412.80	3,555.18	510.50	0.79
Deposit :				
- Principal	2,652.93	3,592.21	952.05	-
- Interest	516.93	684.51	254.24	-
Subordinated liabilities :				
- Principal	283.75	1,284.89	564.59	2,333.22
- Interest	379.10	645.73	453.05	712.21
Other financial liabilities :	2,114.71	357.53	159.00	142.93
Total	**43,069.10**	**53,027.64**	**14,353.72**	**10,980.58**

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Notes to Consolidated Financial Statements *(Continued)*
for the year ended March 31, 2025

Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.3 Liquidity Risk Management *(Continued)*

b) Maturity profile of derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments.

Rs. in crore

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
As at March 31, 2025				
Foreign exchange forward contracts				
- Payable	233.74	49.81	-	-
- Receivable	-	6.02	-	-
Interest Rate swaps				
- Payable	8.21	59.78	20.96	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	47.18	-	-	-
- Receivable	24.33	-	-	-
Total Payable	**289.13**	**109.59**	**20.96**	-
Total Receivable	**24.33**	**6.02**	-	-
31-Mar-24				
Foreign exchange forward contracts				
- Payable	0.97	199.74	-	-
- Receivable	-	-	-	-
Interest Rate swaps				
- Payable	-	3.15	-	-
- Receivable	-	-	-	-
Currency swaps				
- Payable	-	164.23	-	-
- Receivable	-	-	-	-
Total Payable	**0.97**	**367.12**	-	-
Total Receivable	-	-	-	-

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.4 a) Financial Instruments regularly measured using Fair Value - recurring items

Rs. in crore

Type of Instrument	Financial assets / financial liabilities	Category	Fair Value as at March 31, 2025	Fair Value As at 31 March 2024	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, currency swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL / FVOCI	**(360.66)**	(335.27)	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) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**352.59**	237.34	Level 1	Quoted market price			
3) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	**24.87**	-	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	**593.75**	757.41	Level 2	Quoted market price of similar instrument			
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	**2,330.40**	967.73	Level 2	Quoted market price of similar instrument			
6) Investment in equity instruments- Quoted	Financial Assets	Financial instrument designated at FVOCI	**0.18**	0.22	Level 1	Quoted market price			
7) Investment in equity instruments- Unquoted	Financial Assets	Financial instrument designated at FVOCI	**126.68**	42.42	Level 3	Discounted Cash Flow / Book value	The discounted cash flow method used the future free cash flows of the Company, discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
8) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	**4,429.26**	4,591.05	Level 1	Quoted market price			
8) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	**282.09**	453.34	Level 2	Quoted market price of similar instrument			

The company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Rs in crore

Particulars	Unquoted Equity investment	Total
31 March 2025		
Opening balance	**42.42**	**42.42**
Total gains or losses recognised:		
In Profit or loss		
a) in profit or loss	-	-
b) in other comprehensive income	**84.26**	**84.26**
Fair value of -		
Purchases made during the year	-	-
Disposals made during the year		
Transfers into Level 3		
Transfers out of Level 3		
Closing balance	**126.68**	**126.68**
31 March 2024		
Opening balance	42.42	42.42
Total gains or losses recognised:		
In Profit or loss		
a) in profit or loss		
b) in other comprehensive income	-	-
Fair value of -		
Purchases made during the year		-
Issues made during the year		
Disposals made during the year	-	-
Sale made during the year		
Transfers into Level 3		
Transfers out of Level 3		
Closing balance	42.42	42.42

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.

Rs in crore

	31 March 2025	31 March 2024
Equity investment in Smartshift Logistic Solutions Private Limited and Equity Investment in Unquoted shares of CRIB, Sri Lanka		
Fair Value of Investments	**126.68**	42.42

There are no disposal of investment during the year ended 31 March 2025 and 2024 respectively.

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Rs. in crore

50 Financial Risk Management Framework *(Continued)*

50.4 d) Financial Instruments measured at amortised cost

Rs in crore

Particulars	Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
as at March 31, 2025					
Financial assets					
a) Bank balances other than cash and cash equivalent	4,016.95	3,989.88	3,901.31	-	88.57
b) Loans and advances to customers	1,23,513.56	1,25,310.47	-	-	1,25,310.47
c) Financial investments - at amortized cost	1,255.87	1,288.88	1,288.88	-	-
Total	**1,28,786.38**	**1,30,589.23**	**5,190.18**	-	**1,25,399.04**
Financial liabilities					
a) Debt securities	29,861.90	30,096.32	29,215.45	880.87	-
b) Borrowings other than debt securities	71,753.53	72,250.60	-	72,250.60	-
c) Deposits	11,373.97	11,798.00	-	11,798.00	-
d) Subordinated Liabilities	6,103.84	6,075.34	3,535.41	2,539.93	-
e) Other Financial liabilities	1,042.44	1,055.00	-	575.59	479.41
Total	**1,20,135.68**	**1,21,275.26**	**32,750.85**	**88,044.99**	**479.41**
As at 31 March 2024					
Financial assets					
a) Bank balances other than cash and cash equivalent	3,171.55	2,551.47	2,551.47	-	-
b) Loans and advances to customers	1,06,343.96	1,05,817.10	-	-	1,05,817.10
c) Financial investments - at amortized cost	1,438.20	1,484.73	1,312.71	172.02	-
Total	**1,10,953.71**	**1,09,853.30**	**3,864.18**	**172.02**	**1,05,817.10**
Financial liabilities					
a) Debt securities	30,984.91	31,116.45	31,116.45	-	-
b) Borrowings other than debt securities	56,943.87	56,610.25	-	56,610.25	-
c) Deposits	7,533.19	7,662.74	-	7,662.74	-
d) Subordinated Liabilities	4,753.46	4,810.13	4,810.13	-	-
e) Other financial liabilities	877.87	906.06	-	906.06	-
Total	**1,01,093.30**	**1,01,105.63**	**35,926.58**	**65,179.05**	-

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 cash equivalent, trade receivables, balances other than cash and cash equivalents, term deposits and trade payables. Further, such financial assets and financial liabilities are disclosed at Level 1 fair value.

Loans and advances to customers
The fair values of loans and advances are estimated by discounted cash flow models based on contractual cash flows using actual yields.

50.4 d) Financial Instruments measured at amortised cost

Financial Investments
For Government Securities and bonds, the quoted market price as on date of reporting is considered for fair value computations. Where such price is not available, quoted market price of similar instruments as on date of reporting is considered.

Borrowings other than deposits from public
The fair value of borrowings 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.

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Notes forming part of the Financial Statements *(Continued)*

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Rs. in crore

51 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

Rs. in crore

Assets	31 March 2025 Within 12 months	After 12 months	Total	31 March 2024 Within 12 months	After 12 months	Total
Cash and cash equivalents	1,830.25	-	1,830.25	903.54	-	903.54
Bank balance	4,016.95	-	4,016.95	3,171.55	-	3,171.55
Derivative financial instruments	30.95	-	30.95	-	-	-
Trade receivables	246.69	-	246.69	173.35	-	173.35
Loans	44,323.33	79,190.23	1,23,513.56	38,808.53	67,535.43	1,06,343.96
Investments	5,624.66	4,965.13	10,589.79	2,862.02	6,736.44	9,598.46
Other financial assets	157.77	105.07	262.84	251.58	-	251.58
Current tax assets (Net)	-	736.36	736.36	-	733.47	733.47
Deferred tax Assets (Net)	-	828.55	828.55	-	801.80	801.80
Property, plant and equipment	-	1,027.13	1,027.13	-	982.97	982.97
Capital work-in-progress	-	0.52	0.52	-	-	-
Intangible assets under development	-	65.64	65.64	105.28	0.16	105.44
Other Intangible assets	-	179.82	179.82		24.99	24.99
Other non-financial assets	654.19	122.02	776.21	526.22	98.46	624.68
Total Assets	**56,884.79**	**87,220.47**	**1,44,105.26**	**46,802.07**	**76,913.72**	**1,23,715.79**
	-					
Liabilities						
Financial Liabilities			-			-
Derivative financial instruments	370.29	21.32	391.61	0.93	334.34	335.27
Trade Payables			-			-
i) total outstanding dues of micro enterprises and small enterprises	0.33	-	0.33	0.42	-	0.42
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,440.32	-	1,440.32	1,678.60	-	1,678.60
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	2.71	-	2.71	2.80	-	2.80
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.87	-	17.87	61.71	-	61.71
Debt Securities	11,217.26	18,644.64	29,861.90	10,454.27	19,434.14	29,888.41
Borrowings (Other than Debt Securities)	25,986.94	45,766.59	71,753.53	19,387.42	37,402.12	56,789.54
Deposits	4,244.03	7,129.94	11,373.97	2,652.93	4,521.80	7,174.73
Subordinated Liabilities	527.39	5,576.45	6,103.84	283.75	4,182.70	4,466.45
Other financial liabilities	583.82	458.62	1,042.44	2,092.23	681.94	2,774.17
Non-Financial Liabilities						
Current tax liabilities (Net)	82.22	-	82.22	128.60	-	128.60
Provisions	173.32	83.42	256.74	155.73	99.00	254.73
Other non-financial liabilities	202.33	2.47	204.80	180.35	5.15	185.50
Total Liabilities	**44,848.83**	**77,683.45**	**1,22,532.28**	**37,079.74**	**66,661.19**	**1,03,740.93**
Net	**12,035.96**	**9,537.02**	**21,572.98**	**9,722.33**	**10,252.53**	**19,974.86**
Other undrawn commitments	863.42	-	863.42	645.81	-	645.81
Total commitments	**863.42**	**-**	**863.42**	**645.81**	**-**	**645.81**

Rs. in crore

52 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) **Holding Company**	Mahindra & Mahindra Limited
b) **Fellow Subsidiaries :** (entities with whom the Company has transactions)	Bristlecone India Limited Fifth Gear Ventures Limited Gromax Agri Equipment Limited Mahindra Aerostructures Private Limited Mahindra Agri Solutions Limited Mahindra Defence Systems Limited Mahindra Electric Mobility Limited Mahindra First Choice Wheels Limited Mahindra Heavy Engines Limited Mahindra Holidays & Resorts India Limited Mahindra HZPC Private Limited Mahindra Integrated Business Solutions Limited Mahindra Last Mile Mobility Limited Mahindra Lifespace Developers Limited Mahindra Solarize Limited Mahindra Summit Agriscience Limited Mahindra Susten Pvt Limited Mahindra Teqo Pvt Limited Mahindra Two wheeler Limited Mahindra University Mahindra USA, Inc Mahindra World City (Jaipur) Limited Naandi Community Water Services Private Limited NBS International Limited New Democratic Electoral Trust Sustainable Energy Infra Investment Managers Private Limited Swaraj Engines Limited Mahindra Electric Automobile Limited Mahindra Logistics Limited Mahindra Accelo Limited Mahindra Happinest Developers Limited
c) **Joint Venture(s) / Associate(s):** (entities on whom control is exercised)	Mahindra Finance USA, Inc Mahindra Manulife Investment Management Private Limited Mahindra Manulife Trustee Private Limited
d) **Joint Venture(s) / Associate(s) of Holding Company:** (entities with whom the Company has transactions)	Tech Mahindra Limited Smartshift Logistics Solutions Private Ltd. PSL Media & Communications Ltd Tech Mahindra Foundation
e) **Key Management Personnel:** (where there are transactions)	Mr. Raul Rebello Mr. Anish Shah Mr. Milind Sarwate Dr. Rebecca Nugent Mr. Diwakar Gupta Mr. Ashwani Ghai Mr. Vijay Kumar Sharma Mr. Amarjyoti Barua Mr. Ramesh Iyer (Cease to be KMP w.e.f 29th April 2024) Mr. C. B. Bhave (Cease to be KMP w.e.f 2nd Feb 2025) Mr. Dhananjay Mungale (Cease to be KMP w.e.f 23rd Jul 2024) Mrs. Rama Bijapurkar ((Cease to be KMP w.e.f 23rd Jul 2024))
f) **Relatives of Key Management Personnel** (where there are transactions)	Mr. Joan Rebello Mr. Dinesh Iyer (Cease to be relatives of KMP w.e.f 29th April 2024) Mrs. Janki Iyer (Cease to be relatives of KMP w.e.f 29th April 2024) Mrs. Girija Subramanian (Cease to be relatives of KMP w.e.f 29th April 2024) Mr. Risheek Ramesh Iyer (Cease to be relatives of KMP w.e.f 29th April 2024)

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Rs. in crore

52 **Related party disclosures: *(Continued)***

ii) **The nature and volume of transactions of the Company during the year with above related parties were as follows:**

Rs. in crore

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 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
Subvention / Incentive income										
- Mahindra & Mahindra Limited	**19.17**	28.61	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited			**9.88**	7.94						
- Mahindra Electric Mobility Limited	-	-	-	-	-	-	-	-	-	-
Lease rental income										
- Mahindra & Mahindra Limited	**93.73**	100.64	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Contech Private Limited	-	-	-	0.01	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	**0.41**	0.39	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	**0.30**	0.39	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	**0.04**	0.28	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	**0.28**	0.61	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	**0.07**	0.13	-	-	-	-	-	-
- Mahindra Integrated Business solution	-	-	**0.30**	0.24	-	-	-	-	-	-
- Mahindra Teqo	-	-	**0.13**	0.17	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	**1.50**	1.44	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	**0.01**	0.10	-	-	-	-	-	-
- Mahindra HZPC Private Limited	-	-	**0.13**	0.06	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	**4.20**	0.74	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	**0.59**	0.03	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	**0.95**	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	**8.51**	0.51	-	-	-	-	-	-
- Mahindra Agri Solutions Limited	-	-	**1.42**	0.67	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	**0.20**	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	**0.60**	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	**0.47**	-	-	-	-	-	-	-
-Mahindra Aerostructures Private Limited	-	-	**0.02**	-	-	-	-	-	-	-
-Mahindra Electric Automobile Limited	-	-	**0.20**	-	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	**0.02**	-	-	-	-	-	-	-
-Mahindra Logistics Limited	-	-	**0.02**	-	-	-	-	-	-	-
Interest income										
- Mahindra & Mahindra Limited	**2.17**	1.85	-	-	-	-	-	-	-	-
Income from sharing services										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	**1.05**	0.59	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	-	-	-	-	-	-

Rs. in crore

52 **Related party disclosures:** ***(Continued)***

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 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
Other Income										
- Mahindra & Mahindra Limited	**0.34**	0.88	-	-	-	-	-	-	-	-
Interest expense										
- Mahindra & Mahindra Limited	-	0.05	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	**4.09**	4.10	-	-	-	-
- Tech Mahindra Limited	-	-	-	2.43	-	-	-	-	-	-
- Mahindra Water Utilities Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	**13.55**	15.00	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	**0.07**	0.07	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	**0.06**	0.06	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	0.00	-	-
- Others	-	-	-	-	-	-	-	-	**0.18**	0.16

ii) **The nature and volume of transactions of the Company during the year with above related parties were as follows:** ***(Continued)***

Rs. in crore

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 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
Other expenses										
- Mahindra & Mahindra Limited	**27.93**	53.25	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	**23.85**	24.63	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	1.52	-	-	-	-	-	-
- Bristlecone India Limited	-	-	**0.69**	0.24	-	-	-	-	-	-
- NBS International Limited	-	-	**4.06**	5.15	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited.	-	-	**73.83**	69.65	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	**0.08**	0.16	-	-	-	-	-	-
- Meru Mobility Tech Private Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Accelo Limited	-	-	**0.10**	-	-	-	-	-	-	-
- Mahindra Happinest Developers Limited	-	-	**0.01**	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	**0.01**	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	**62.72**	12.27	-	-	-	-	-	-
- Others	-	-	**0.28**	0.06	-	-	-	-	-	-
- Kanha & Co.	-	-	-	2.28	-	-	-	-	-	-

M. P. CHITALE & CO. MUMBAI C.A.

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD MUMBAI

Notes to Consolidated Financial Statements *(Continued)*
for year ended 31 March 2025

Rs. in crore

52 Related party disclosures: *(Continued)*

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 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
Donations										
- National Democratic Electoral Trust	-	-	**21.00**	-	-	-	-	-	-	-
- Tech Mahindra Foundation			**0.15**							
Remuneration										
- Mr. Ramesh Iyer	-	-	-	-	-	-	**3.65**	8.15	-	-
- Mr Raul Rebello	-	-	-	-	-	-	**3.95**	3.90	-	-
Sitting fees and commission										
- Mr C. B. Bhave	-	-	-	-	-	-	**0.57**	0.53	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	**0.24**	0.53	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	**0.23**	0.50	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	**0.69**	0.57	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	**0.54**	0.46	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	**0.65**	0.50	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	**0.47**	0.30	-	-
- Mr Siddhartha Mohanty	-	-	-	-	-	-	-	0.04	-	-
- Mr Vijay Kumar Sharma	-	-	-	-	-	-	**0.45**	-	-	-
Reimbursement from parties										
- Mahindra & Mahindra Limited	**1.86**	3.05	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	-	0.06	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	**0.07**	-	-		-	-	-	-
- Gromax Agri Equipment Limited	-	-	**3.90**	3.10	-	-	-	-	-	-
Reimbursement to parties										
- Mahindra & Mahindra Limited	**26.30**	1.22	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	**3.09**	2.65	-	-	-	-	-	-
- NBS International Limited	-	-	-	0.29	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	**0.42**	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	**0.02**	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	**0.01**	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	**0.16**	-	-	-	-	-	-	-
Purchase of fixed assets (incl Capital advances)										
- Mahindra & Mahindra Limited	**128.69**	151.88	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	**0.19**	-	-	-	-	-	-	-
- NBS International Limited	-	-	**9.37**	9.69	-	-	-	-	-	-
Sale of fixed assets										
- Mahindra & Mahindra Limited	**0.44**	0.23	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	**0.27**	0.22	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	**0.20**	-	-	-	-	-	-	-
Fixed deposits taken										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	**0.21**	0.65	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	**25.00**	135.00	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	**0.17**	0.85	-	-
- Mr Raul Rebello	-	-	-	-	-	-	**0.00**	0.00	-	-
- Others	-	-	-	-	-	-	-	-	**2.40**	2.17

Rs. in crore

52 Related party disclosures: *(Continued)*

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: *(Continued)*

Rs. in crore

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 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
Fixed deposits matured										
- Mahindra & Mahindra Limited	-	4.19	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	**0.21**	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd			**15.00**							
- Mr. Ramesh Iyer	-	-	-	-	-	-	**0.85**	0.80	-	-
- Mr Raul Rebello							**0.00**			
- Others	-	-	-	-	-	-	-	-	**2.30**	2.05
Dividend paid										
- Mahindra & Mahindra Limited	**405.97**	386.64	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	**1.00**	0.98	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	-	**0.02**	0.02	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	-	**0.01**	0.01	-	-
- Mr Raul Rebello	-	-	-	-	-	-	**0.00**	-	-	-
- Others	-	-	-	-	-	-	-	-	**0.00**	0.00
Inter corporate deposits repaid / matured										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	200.00	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	**90.00**	140.00	-	-	-	-	-	-
-Mahindra Water Utilities Limited	-	-	-	-	-	-	-	-	-	-

Key Management Personnel as defined in Ind AS 24

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Notes to Consolidated Financial Statements (Continued)
for year ended 31 March 2025

Rs. in crore

52 **Related party disclosures: (Continued)**

iii) **Balances as at the end of the year:**

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 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Balances as at the end of the period										
Receivables										
- Mahindra & Mahindra Limited	5.93	8.77	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	1.19	0.40	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Li	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Services Limited	-	-	-	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Sumunit Agriscience Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra integrated Business Solutions Limited	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	0.03	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	0.08	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	0.01	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	0.00	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	-	0.14	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.98	0.45	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	4.42	2.61	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	-	-	-	-	-	-
-Mahindra Aerostructures Private Limited			-							
- Sustainable Energy Infra Investment Managers Private Limited			-							
- Mahindra Defence Systems Ltd			0.09							
- Mahindra Agri Solutions Limited	-	-	-	0.02	-	-	-	-	-	-
Investments										
- Mahindra Finance USA, Inc.	-	-	-	-	210.55	210.55	-	-	-	-
- Mahindra Manulife Investment Management Private. L	-	-	-	-	195.30	195.30	-	-	-	-
- Mahindra Manulife Trustee Private Limited	-	-	-	-	0.50	0.50	-	-	-	-
- New Democratic Electoral Trust	-	-	0.02	0.02	-	-	-	-	-	-
- Smartshift Logistics Solutions Private Limited	-	-	9.50	9.50	-	-	-	-	-	-
Subordinate debt held (including interest accrued but not due)										
- Mahindra Manulife Investment Management Private. L	-	-	-	-	48.57	48.58	-	-	-	-

Rs. in crore

52 Related party disclosures: (Continued)

iii) **Balances as at the end of the year:**

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 31 March 2025	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024	**Year ended 31 March 2025**	Year ended 31 March 2024
Payables										
- Mahindra & Mahindra Limited	**16.73**	3.94	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	**2.05**	2.75	-	-	-	-	-	-
- Mahindra USA. Inc.	-	-	**2.35**	0.42	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	**2.47**	1.85	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	**1.06**	0.13	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	**9.97**	0.90	-	-	-	-	-	-
- Mahindra Defence Systems Limited	-	-	-	0.38	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	0.02	-	-	-	-	-	-
- Mahindra Electric Mobility Limited (MEAL)	-	-	**1.50**	-	-	-	-	-	-	-
- Others	-	-	**0.00**	0.00	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)										
- Tech Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays and Resorts India Limited	-	-	-	93.99	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)										
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	**0.86**	0.88	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	**164.54**	145.63	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	**0.17**	0.86	-	-
- Mr Raul Rebello							**0.00**	0.00		
- Others	-	-	-	-	-	-	-	-	**2.48**	2.38

Mahindra & Mahindra Financial Services Limited

Notes to Consolidated Financial Statements *(Continued)*
for year ended 31 March 2025

Rs. in crore

52 Related party disclosures: *(Continued)*

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

as at March 31, 2025

Rs. in crore

Particulars	Relation	Balance as on 1 April 2024	Advances / investments	Repayments/ sale	Balance as on 31 March 2025
(A) Loans and advances					
		-	-	-	-
(B) Investments					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Smartshift Logistics Solutions Pvt. Ltd.	Fellow Associate	9.50	-	-	9.50
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		415.87	-	-	415.87
Total		415.87	-	-	415.87

Notes :

i) Above loans & advances and investments have been given for general business purposes.

ii) There were no guarantees given / securities provided during the year.

As at 31 March 2024

Rs. in crore

Particulars	Relation	Balance as on 1 April 2023	Advances / investments	Repayments/ sale	Balance as on 31 March 2024
(A) Loans and advances					
		-	-	-	-
(B) Investments					
Mahindra Finance USA, LLC	Associate	210.55	-	-	210.55
Smartshift Logistics Solutions Pvt. Ltd.	Fellow Associate	9.50	-	-	9.50
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	-	-	0.02
		415.87	-	-	415.87
Total		415.87	-	-	415.87

Notes :

i) Above loans & advances and investments have been given for general business purposes.

ii) There were no guarantees given / securities provided during the year.

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Notes to Consolidated Financial Statements (Continued)
for the year ended March 31, 2025

Rs. in crore

52 Related party disclosures: *(Continued)*

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.

Rs. in crore

Name of the KMP	Nature of transactions	31 March 2025	31 March 2024
Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
(Ceased to be a director w.e.f 29 April 2024)	Gross Salary including perquisites	3.65	7.69
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	-	0.46
		3.65	8.15
Mr. Raul Rebello (Managing Director & Chief Executive Officer)			
(Appointed w.e.f. 1 May 2023)	Gross Salary including perquisites	3.62	3.67
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.33	0.23
		3.95	3.90
Mr. Dhananjay Mungale (Independent Director)			
(Ceased to be a director w.e.f July 23, 2024)	Commission	0.14	0.33
	Sitting fees	0.11	0.17
		0.24	0.50
Ms Rama Bijapurkar (Independent Director)			
(Ceased to be a director w.e.f July 23, 2024)	Commission	0.14	0.33
	Sitting fees	0.09	0.14
		0.23	0.47
Mr. C.B. Bhave (Independent Director)			
(Ceased to be a director w.e.f Feb 02, 2025)	Commission	0.34	0.33
	Sitting fees	0.23	0.17
		0.57	0.50
Mr. Milind Sarwate (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.29	0.21
		0.69	0.54
Dr. Rebecca Nugent (Independent Director)			
	Commission	0.40	0.33
	Sitting fees	0.14	0.10
		0.54	0.43
Diwakar Gupta (Independent Director)			
	Commission	0.40	0.08
	Sitting fees	0.24	0.15
		0.64	0.23

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Details of related party transactions with Key Management Personnel (KMP) are as under *(Continued)*

Rs. in crore

Name of the KMP	Nature of transactions	31 March 2025	31 March 2024
Siddhartha Mohanty (LIC of India representative)			
(Ceased to be a director w.e.f 12 May 2023)	Commission	-	-
	Sitting fees	-	0.04
		-	0.04
Vijay Kumar Sharma			
(Appointed w.e.f. 15 May 2024)	Commission	0.35	-
	Sitting fees	0.09	-
		0.45	-
Ashwani Ghai (LIC of India representative)			
	Commission	0.39	-
	Sitting fees	0.08	0.04
		0.47	0.04

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Notes to Consolidated Financial Statements *(Continued)*
for year ended 31 March 2025

Rs. in crore

53 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:

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31 March 2025	31 March 2024
Mahindra Insurance Brokers Limited (MIBL)*	India	**100.00%**	100.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	**98.78%**	98.88%
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%

*During the previous year, the Parent Company 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 September 22, 2023 involving a pay-out of Rs.206.39 crore which has resulted in an increase in equity investment of an equivalent amount. Consequent to this acquisition, MIBL has become a wholly owned subsidiary of the Parent Company effective from September 22, 2023.

b) Details of Group's associate / joint venture at the end of the reporting period are as follows:

Name of the Associate / Joint Venture	Place of Incorporation and Place of Operation	Proportion of Ownership Interest / Voting power	
		31 March 2025	31 March 2024
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%

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Mahindra & Mahindra Financial Services Limited

Notes to Consolidated Financial Statements *(Continued)*
for year ended 31 March 2025

Rs. in crore

53 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest *(Continued)*

c) 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:

Rs. in crore

Particulars	Mahindra Insurance Brokers Limited		Mahindra Rural Housing Finance Limited		Mahindra Ideal Finance Limited	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial Assets	828.98	740.47	7,540.77	7,930.36	473.69	329.24
Non Financial Assets	193.68	163.27	336.57	300.55	21.06	21.92
Financial Liabilities	232.37	111.48	6,599.69	6,723.29	400.67	267.39
Non Financial Liabilities	62.65	139.70	17.34	19.53	5.05	2.37
Equity interest attributable to the owners*	727.64	652.56	1,244.92	1,471.40	51.82	47.38
Non-controlling interest*	-	-	15.38	16.67	37.22	34.03
Total Income	1,239.59	1,094.95	1,196.70	1,294.44	77.84	59.86
Expenses (including tax expenses)	1,150.81	971.43	1,424.64	1,290.83	73.70	57.17
Profit / (Loss) for the year	88.78	123.52	(227.94)	3.60	4.14	2.69
Total Comprehensive Income for the year	90.54	122.97	(227.30)	3.75	4.29	2.55
Total Comprehensive Income attributable to the owners of the company	90.54	122.97	(224.53)	3.71	2.50	1.48
Total Comprehensive Income attributable to the Non-controlling interest	-	-	(2.77)	0.04	1.79	1.07
Dividends paid to Non-controlling interest	-	0.72	-	-	-	-
Opening Cash & Cash Equivalents	12.52	17.32	576.73	314.94	3.08	4.13
Closing Cash & Cash Equivalents	22.51	12.52	135.99	576.73	5.14	3.08
Net Cash inflow / (outflow) - includes Foreign currency translation	9.99	(4.80)	(440.74)	261.79	2.07	(1.06)

* The Equity interest attributable to the owners and Non-controlling interest for MIFL is excluding the impairment loss provision adjusted against identified assets.

M M NISSIM & CO LLP FRN: 107122W/W100672 MUMBAI CHARTERED ACCOUNTANTS

M. P. CHITALE & CO. MUMBAI C.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI

Rs. in crore

53 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest *(Continued)*

d) Details of Non-Wholly Owned Subsidiaries that have material Non Controlling Interest:

Rs. in crore

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	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Mahindra Insurance Brokers Limited (Refer note 39)	India	**0.00%**	0.00%	**-**	-	**-**	-
Mahindra Rural Housing Finance Limited	India	**1.22%**	1.12%	**(2.77)**	0.04	**15.39**	16.67
Mahindra Ideal Finance Limited	Sri Lanka	**41.80%**	41.80%	**1.79**	1.07	**28.13**	24.94
TOTAL				**(0.98)**	1.11	**43.52**	41.61

The Company has written put option for acquiring ownership interest held by Non Controlling Interest in the above mentioned subsidiaries.

Rs. in crore

53 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest *(Continued)*

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:

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2025	2024	2025	2024	2025	2024
Financial Assets	201.87	205.12	2.33	1.84	9,460.22	9,747.79
Non Financial Assets	24.71	25.63	0.00	0.00	36.91	38.65
Financial Liabilities	26.97	26.84	0.02	0.02	7,651.29	8,123.73
Non Financial Liabilities	21.41	15.45	0.05	0.04	13.88	18.00
Equity interest attributable to the owners	90.88	96.11	1.15	0.91	897.66	805.91
Non-controlling interest	87.32	92.35	1.11	0.87	934.30	838.80
Total Interest Income	6.89	10.49	-	0.00	694.36	644.20
Other income	80.82	53.05	1.14	1.17	29.24	28.83
Finance Costs	1.18	1.19	-	-	332.89	302.05
Depreciation and amortisation	5.67	4.77	0.00	0.00	-	-
Other expenses	90.92	84.85	0.52	0.57	199.10	181.77
Income tax expense	-	-	0.14	0.14	48.53	46.80
Profit / (Loss) for the year	(10.06)	(27.27)	0.48	0.46	143.09	142.41
Total Comprehensive Income for the year	(10.26)	(27.56)	0.48	0.46	143.09	142.41
Total Comprehensive Income attributable to the owners of the company	(5.23)	(14.06)	0.24	0.23	70.11	69.78
Total Comprehensive Income attributable to the Non-controlling interest	(5.03)	(13.50)	0.24	0.23	72.98	72.63
Opening Cash & Cash Equivalents	0.08	0.10	0.03	0.01	16.59	50.86
Closing Cash & Cash Equivalents	0.10	0.08	0.02	0.03	7.34	16.59
Net Cash inflow / (outflow)	0.02	(0.02)	(0.01)	0.02	(9.25)	(34.27)

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 :

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2025	2024	2025	2024	2025	2024
Closing Net Assets	178.20	188.46	2.26	1.78	1,831.96	1,644.71
Group share in %	51.00%	51.00%	51.00%	51.00%	49.00%	49.00%
Group share	90.88	96.11	1.15	0.91	897.66	805.91
Carrying amount	90.88	96.11	1.15	0.91	897.66	805.91

M.M. NISSIM & CO LLP CHARTERED ACCOUNTANTS FRN: 107122W W100672 MUMBAI

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD MUMBAI

Rs. in crore

54 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

Rs. in crore

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	89.40%	19,286.90	103.13%	2,331.70	73.45%	79.80	101.77%	2,411.50
Subsidiaries								
Indian -								
1. Mahindra Insurance Brokers Limited	3.65%	787.92	3.93%	88.78	1.61%	1.75	3.82%	90.54
2. Mahindra Rural Housing Finance Limited	3.10%	669.67	-10.08%	(227.94)	0.59%	0.64	-9.59%	(227.30)
3. Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	0.19%	40.83	0.10%	2.33	0.00%	-	0.10%	2.33
4. Mahindra Rural Housing Finance Limited Employee Welfare Trust	0.02%	4.20	-0.03%	(0.64)	0.00%	-	-0.03%	(0.64)
5. Mahindra Finance CSR Foundation	0.00%	(0.00)	0.00%	-	0.00%	-	0.00%	-
6. Mahindra Ideal Finance Limited	0.28%	60.91	0.11%	2.41	3.22%	3.50	0.25%	5.91
Foreign -	-	-	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	0.20%	43.52	-0.04%	(1.00)	1.30%	1.41	0.02%	0.41
Associates (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
Foreign -								
Mahindra Finance USA, LLC	3.09%	666.31	3.10%	70.11	19.92%	21.64	3.87%	91.75
Joint Ventures (Investment as per the equity method)								
Indian -	-	-	-	-	-	-	-	-
1. Mahindra Manulife Investment Management Private Limited	0.05%	11.78	-0.23%	(5.13)	-0.09%	(0.10)	-0.22%	(5.23)
2. Mahindra Manulife Trustee Private Limited	0.00%	0.95	0.01%	0.24	0.00%	-	0.01%	0.24
Total	100.00%	21,572.98	100.00%	2,260.87	100.00%	108.64	100.00%	2,369.51

M M NISSIM & CO LLP * CHARTERED ACCOUNTANTS * FRN : 107122W/W100672 MUMBAI

M. P. CHITALE & CO. * C.A. * MUMBAI

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD * MUMBAI

Mahindra & Mahindra Financial Services Limited

Notes to Consolidated Financial Statements *(Continued)*

for the year ended March 31, 2025

Rs. in crore

55 During the year ended March 31, 2025, the Parent Company has made a contribution of Rs. 21.00 crore to New Democratic Electoral Trust, a Trust approved by the Central Board of Direct Taxes under Electoral Trust Scheme, 2013 to enable Electoral Trust to make contributions to political party/parties duly registered with the Election Commission, in such manner and at such times as it may decide from time to time. This contribution was as per the provisions of section 182 of the Companies Act, 2013. There was no such contribution made during the year ended March 31, 2024.

56 **Events after the reporting date**

There have been no other events after the reporting date that require disclosure in these financial statements.

57 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year presentation.

Signatures to Notes 1 to 57

In terms of our report attached.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577

M M NISSIM & CO LLP FRN : 107122W / W100672 MUMBAI CHARTERED ACCOUNTANTS

For **M P. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 101851W

Ashutosh Pednekar
Partner
Membership No: 041037

Mumbai
April 22, 2025

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

Dr. Anish Shah
Chairman
[DIN: 02719429]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 22, 2025

M. P. CHITALE & CO. MUMBAI C.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. MUMBAI