

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

DISCLOSURES IN TERMS OF PART F OF SCHEDULE-I AND REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 ("SBEB Regulations"), FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025:

1. Relevant disclosures in terms of the accounting standard prescribed by the Central Government in terms of section 133 of the Companies Act 2013 (18 of 2013) including 'Guidance note on accounting for Employee Share-based payments' issued by ICAI or 'Indian Accounting Standard (Ind AS) 102 – Share-based Payment' are given in the note no. 35 of the 'Notes forming part of the Standalone Financial Statements' for the year ended 31st March 2025.
2. Diluted Earnings Per Share ("EPS") on issue of shares pursuant to all the schemes covered under regulations is disclosed in accordance with 'Indian Accounting Standard (Ind AS) 33 – Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time under note no. 34 of the 'Notes forming part of the Standalone Financial Statements' for the year ended 31st March 2025.
3. The Company has in force the following schemes which get covered under the provisions of SBEB Regulations:
 - (i) Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 ("MMFSL ESOS – 2010")
 - (ii) Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023")

Note: The schemes mentioned in point 3(i) and (ii) are hereinafter collectively referred to as "ESOP Schemes" or "ESOS" and are administered by the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust ("ESOS Trust") through Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust Deed.

4. Details related to ESOS:

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (MMFSL ESOS – 2010)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 (“MMFSL RSU PLAN 2023”)
(i) Description of ESOP Schemes including general terms and conditions:			
	a. Date of Shareholders’ approval:	18 th September 2010	28 th July 2023

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (MMFSL ESOS – 2010)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023")
	b. Total number of options/ Restricted Stock Units ("RSUs") approved under ESOP Schemes	82,39,464 (Adjusted for Sub-Division, transfers from MMFSL ESOS – 2005 and allotment made under Rights Issue in 2020)	59,44,320
	c. Vesting requirements:	In five equal tranches of 20% each on expiry of 12 months, 24 months, 36 months, 48 months and 60 months respectively from the date of grant.	<p>In 3 or 5 equal tranches, as applicable to the respective grant 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</p> <p>RSUs 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 RSUs, as may be determined by the Committee. The Committee may vary the maximum vesting period from time to time, as may be statutorily permissible. The vesting of RSUs would be based on achievement of performance parameters which would include one or more of the Company performance parameters such as:</p> <ul style="list-style-type: none"> 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
	d. Exercise Price or Pricing formula:	<ul style="list-style-type: none"> i) At a face value of Rs.2/- per Equity Share in respect of options granted as per original scheme; ii) At Rs. 50/- per Equity Share being the Rights Issue price in respect of adjustment of options entitlement under Rights Issue. 	At a face value of Rs.2/- per Equity Share in respect of RSUs granted as per scheme;
	e. Maximum term of options granted:	Eight years from the date of grant with option validity of three years from the date of vesting of options under each tranche.	The Exercise Period would commence from the date of vesting of RSUs and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.
	f. Source of Shares:	Primary / fresh issue	Primary / fresh issue; and free and utilizable shares available with the Trust, if any, would be utilized for transfer to eligible persons on vesting and exercise of their RSUs under the MMFSL RSU Plan 2023.
	g. Variation in terms of options/RSUs:	None	None
(ii)	Method used to account for ESOS: Intrinsic or Fair Value	Fair value	Fair value

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (MMFSL ESOS – 2010)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023")
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed:	Since the Company has calculated the employee compensation cost using the Fair Value of stock options granted under MMFSL ESOS – 2010, there is no impact of difference on profits and on EPS.	Since the Company has calculated the employee compensation cost using the Fair Value of RSUs granted under MMFSL RSU PLAN 2023, there is no impact of difference on profits and on EPS.
(iv)	Option movement during FY 2025:		
	Particulars	MMFSL ESOS – 2010	MMFSL RSU PLAN 2023
	Number of options/RSUs outstanding at the beginning of the year	6,12,763	2,83,171
	Number of options/RSUs granted during the year	Nil	6,49,326
	Number of options/RSUs forfeited/lapsed & expired during the year (including options/RSUs forfeited/lapsed & expired out of options/RSUs granted under Rights Issue for MMFSL ESOS 2010 Scheme)	11,350	94,478
	Number of options/RSUs vested during the year (including options/RSUs vested out of options/RSUs granted under Rights Issue for MMFSL ESOS 2010 Scheme)	Nil	66,701
	Number of options/RSUs exercised during the year (including options/RSUs vested out of options/RSUs granted under Rights Issue for MMFSL ESOS 2010 Scheme)	4,44,786	30,485
	Number of shares arising as a result of exercise of options/RSUs (including options/RSUs vested out of options/RSUs granted under Rights Issue for MMFSL ESOS 2010 Scheme)	4,44,786	30,485
	Money realized by exercise of options/RSUs (in INR), if scheme is implemented directly by the Company (including options/RSUs vested out of options/RSUs granted under Rights Issue for MMFSL ESOS 2010 Scheme)	Rs. 9,56,71,672	Rs. 60,970
	Loan repaid by the Trust during the year from exercise price received	Nil	Nil
	Number of options/RSUs outstanding at the end of the year (including options/RSUs outstanding in respect of options/RSUs granted under Rights Issue for MMFSL 2010 Scheme)	1,56,627	8,07,534
	Number of options/RSUs exercisable at the end of the year (including options/RSUs outstanding in respect of options/RSUs granted under Rights Issue for (MMFSL ESOS 2010 Scheme)	1,56,627	36,216

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (MMFSL ESOS – 2010)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023")		
(v)	Weighted-average exercise prices and weighted-average fair values of options/RSUs shall be disclosed separately for options/RSUs whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price: Rs. 27.09 Weighted-average fair value of options exercised during the year: Rs. 170.14	Weighted-average exercise price: Rs. 2/- Weighted-average fair value of RSUs exercised during the year: Rs. 246.47		
(vi)	Employee wise details (name of employee, designation, number of options/RSUs granted during the year, exercise price) of options/RSUs granted to –				
	(a) senior managerial personnel (including Key Managerial Personnel) as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;	Annexure – I	Annexure – III		
	(b) any other employee who receives a grant in any one year of option/RSUs amounting to 5% or more of option/RSUs granted during that year; and	Annexure – II	Annexure – IV		
	(c) identified employees who were granted option/RSUs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil		
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options/RSUs including the following information:	There was no fresh grant of stock options to employees during the year ended 31st March 2025 as the scheme is no longer active for fresh grants.	During the year ended 31 st March 2025, 6,49,326 stock options have been granted to eligible employees through 2 grants under MMFSL RSU PLAN 2023. Following are the required information. 1) Grant dated April 23, 2024 2) Grant dated October 21, 2024		
	(a) the weighted-average values of share price, exercise price, expected volatility, expected option/RSUs life, expected dividends, the risk-free interest rate and any other inputs to the model;	Not Applicable	Variables	Grant dated April 23, 2024	Grant dated October 21, 2024
			a) the weighted-average values of share price (per share)	Rs. 278.85	Rs. 291.00
			b) exercise price (per share)	At face value of Rs.2	At face value of Rs.2
			c) expected volatility	44.27%	42.83%
			d) expected option life	5.5 years	4.5 years
			e) expected dividends	2.15%	2.16%
			f) the risk-free interest rate	7.08%	6.64%

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (MMFSL ESOS – 2010)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023")			
			g) any other inputs to the model	None	None	
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable	Not Applicable			
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Not Applicable	<p>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.</p> <p>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.</p> <p>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.</p>			
	(d) whether and how any other features of the option/RSUs grant were incorporated into the measurement of fair value, such as a market condition.	Not Applicable	Not Applicable			
(viii)	Disclosure in respect of grants made 3 years prior to IPO under ESOP Scheme	N.A.	N.A.			

5. Details related to Trust

The following details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all ESOP schemes

Sr. No.	Particulars	Details
1	Name of the Trust	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust
2	Details of the Trustee(s)	1. Ms. Farida Balsara 2. Mr. Aruna Kumar Poojary 3. Mr. Kapil Toshniwal

		4. Mr. Sandeep Mandrekar
3	Amount of loan disbursed by Company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in Shares by the Trust

Sr. No.	Particulars	Details
a)	Number of shares held at the beginning of the year	11,43,808
b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
c)	Number of shares transferred to the employees / sold along with the purpose thereof; - Purpose of share transfers during the year: On account of exercise of vested stock options by eligible employees in accordance with the terms and conditions of the MMFSL ESOS-2010 (including options exercised out of options granted under Rights Issue for MMFSL ESOS -2010)	4,75,271
d)	Number of shares held at the end of the year (including shares outstanding in respect of options granted under Rights Issue for MMFSL ESOS -2010)	6,68,537

(iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which Shareholders' approval was obtained
Held at the beginning of the year	Not Applicable
Acquired during the year	
Sold during the year	
Transferred to the employees during the year	
Held at the end of the year	

Annexure – I

MMFSL ESOS -2010

Employee-wise details of options granted to Senior Managerial Personnel (including Key Managerial Personnel) during the year i.e., FY 2025:

There was no fresh grant of stock options to any of the employees, including the Senior Managerial Personnel during the year ended 31st March 2025.

Notes:

- i) Above table includes total options granted to beneficiaries as at respective grant date for live/active grants as on reporting date.
- ii) Options enhanced by adjustment through Rights Entitlement were not considered as fresh grant of options and hence not included above.

Annexure – II

MMFSL ESOS – 2010

Names of other employees who have received grants in any one year of options amounting to 5% or more of the options granted during the year, i.e. FY 2025.

There was no fresh grant of stock options to any of the employees during the year ended 31st March 2025.

The details of employees who have previously received grants in any one year of options amounting to 5% or more of the options granted during that year is given in the table below:

Names of employees	No. of options granted
Options granted during the year ended 31st March, 2018	
<ul style="list-style-type: none"> • Mr. Sandeep Mandrekar – Chief Business Officer - Core Wheels Business 	5,608

Notes:

- i) Above table includes total options granted to beneficiaries as at respective grant date for live/active grants as on reporting date.
- ii) Options enhanced by adjustment through Rights Entitlement were not considered as fresh grant of options and hence not included above.

Annexure – III
MMFSL RSU PLAN 2023

Employee-wise details of RSUs granted to Senior Managerial Personnel (including Key Managerial Personnel) during the year i.e., FY 2025:

Name & Designation	Grant dated 23 April 2024	Grant dated 21 October 2024
Mr. Raul Rebello - Managing Director & CEO (Key Managerial Personnel)	1,05,486	65,539
Ms. Brijbala Batwal - Company Secretary (Key Managerial Personnel)	-	9,334
Mr. Mahesh Rajaraman - CRO	-	27,146
Mr. Mod Narayan Singh, CCO	-	17,451
Ms. Deepa Ranjeet, CDO- FSS-Head of IT	-	16,683
Ms. Farida Desai - CLO- FSS	-	14,438
Bijoy Thaplial, CBO Leasing, Partnerships and Payments	-	17,451
Mr. Manish Sinha - Chief Human Resource Officer – FSS	-	26,021
Mr. Sandeep Mandrekar - Chief Business Officer – Core Wheels	-	21,350
Mr. Gaurav Verma - ASVP – Head Underwriting and Product Policy	-	7,742
Mr. Devendra Sharnagat - Chief Data & Analytics Officer ²	-	21,581
Ms. Usha Sundar – Head, Internal Audit	-	7,603
Mr. Jaspreet Singh Chadha, Head Mortgages ³	-	38,780

Notes:

1. Above table includes total RSUs granted to beneficiaries as at respective grant date for live/active grants as on reporting date.
2. Mr. Devendra Sharnagat ceased to be the Senior Management Personnel effective 10th December 2024, upon his transfer to the Mahindra & Mahindra Limited ('AI division')
3. Mr. Jaspreet Chadha was granted 38,780 RSUs by the Company while he was on the payroll of the Company. Effective 1st February 2025, Mr. Jaspreet Chadha, was transferred and appointed as the MD & CEO of Mahindra Rural Housing Finance Limited, subsidiary of the Company. Accordingly, he ceased to be the SMP of the Company effective close of business hours of 31st January 2025

Annexure – IV

MMFSL RSU PLAN 2023

Any other employees who have received grants in any one year of RSUs amounting to 5% or more of the RSUs granted during that year
Nil