

25th June 2026

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: Notice of 36th Annual General Meeting and Integrated Annual Report for Financial Year 2025-26 - Compliance under Regulations 30, 34, 50 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Further to and with reference to our letter dated 24th April 2026, the 36th Annual General Meeting ("AGM") of the Company will be held on Tuesday, 21st July 2026 at 3:30 p.m. (IST) through Video Conferencing/Other Audio-Visual Means ("VC/OAVM").

In compliance with the captioned Regulations and other applicable provisions of the Listing Regulations, please find enclosed the following:

- 1) Notice of the 36th AGM of the Company. The brief details of the agenda items proposed to be transacted at the 36th AGM are given in **Annexure I**;
- 2) Integrated Annual Report ("IAR") for Financial Year ("FY") 2025-26 (including Business Responsibility and Sustainability Report) ("BRSR"). IAR for FY 2025-26 encompasses the documents, reports and disclosures as required under Regulation 34(2) and Regulation 53(1) of Listing Regulations.

The Notice of 36th AGM and IAR for FY 2025-26 are also available on the Company's website at: <https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports>. The aforesaid documents will be dispatched electronically to those Members and Debenture holders whose e-mail IDs are registered with the Company/ KFin Technologies Limited, Company's Registrar to an issue and Share Transfer Agent ("RTA") or the Depositories ("DPs").

Further, in compliance with Regulation 36(1)(b) and 58(1)(b) of the Listing Regulations, a letter will be sent to the Members and Debenture holders whose e-mail addresses are not registered with the Company/RTA /DPs, providing a web-link and QR code from where the IAR can be accessed on the website of the Company.

We request you to take the same on record.

Thanking you,

For Mahindra & Mahindra Financial Services LimitedBRIJBALA
MOHANLAL
BATWALDigitally signed by
BRIJBALA MOHANLAL
BATWAL
Date: 2026.06.25 23:05:42
+05'30'**Brijbala Batwal**

Company Secretary

FCS No.: 5220

Enclosure: as above

Annexure I

Brief of the resolutions proposed to be transacted at the 36th AGM of the Company is as under:

Sr. No	Resolutions proposed to be passed at the 36 th AGM	Type of Resolution
Ordinary Business:		
1.	Consideration and adoption of the Audited Standalone Financial Statements of the Company for the financial year ended 31 st March 2026 and the reports of the Board of Directors and joint Statutory Auditors thereon.	Ordinary Resolution
2.	Consideration and adoption of the Audited Consolidated Financial Statements of the Company for the financial year ended 31 st March 2026 and the reports of the joint Statutory Auditors thereon.	Ordinary Resolution
3.	Declaration of dividend on the equity shares of the Company for the financial year ended 31 st March 2026.	Ordinary Resolution
4.	Re-appointment of Mr. Amarjyoti Barua (DIN: 09202472) as a Director liable to retire by rotation.	Ordinary Resolution
Special Business:		
5.	Appointment of Mr. Krishna Kumar Sukumaran Nair (DIN: 11673376) as a Non-Executive Director of the Company.	Ordinary Resolution
6.	Approval for Material Related Party Transactions between the Company and Life Insurance Corporation of India, shareholder of the Company.	Ordinary Resolution
7.	Increase in the borrowing limits of the Company under section 180(1)(c) of the Companies Act, 2013.	Special Resolution

mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001, India

Corporate Office: Mahindra Towers, 3rd Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018

Website: www.mahindrafinance.com ; E-mail: company.secretary@mahindrafinance.com

Phone: 022 6652 6000/6897 5500; **CIN:** L65921MH1991PLC059642

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty sixth Annual General Meeting ("AGM") of Mahindra & Mahindra Financial Services Limited ("Company")** will be held on **Tuesday, 21st day of July 2026, at 3:30 p.m.**, Indian Standard Time ("IST"), through **Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")** to transact the following businesses:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Gateway Building, Apollo Bunder, Mumbai - 400 001, which shall be the deemed venue of the AGM.

ORDINARY BUSINESS:

Item No. 1

Consideration and adoption of the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026 and the reports of the Board of Directors and joint Statutory Auditors thereon

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026 and the reports of the Board of Directors and joint Statutory Auditors thereon, as circulated to the Members, are hereby considered and adopted."

Item No. 2

Consideration and adoption of the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2026 and the report of the joint Statutory Auditors thereon

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2026 and the report of the joint Statutory Auditors thereon, as circulated to the Members, are hereby considered and adopted."

Item No. 3

Declaration of dividend on the equity shares of the Company for the financial year ended 31st March 2026

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT a dividend of ₹ 7.50/- (i.e. 375%) per equity share of the face value of ₹ 2/- each, for the financial year ended 31st March 2026, as recommended by the Board of Directors of the Company, be declared and that the said dividend be distributed out of the profits of the Company for the year ended 31st March 2026, to all the eligible shareholders on the record date i.e. Monday, 13th July 2026."

Item No. 4

Re-appointment of Mr. Amarjyoti Barua (DIN: 09202472) as a Director liable to retire by rotation

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Amarjyoti Barua (DIN: 09202472), who retires by rotation, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

Item No. 5

Appointment of Mr. Krishna Kumar Sukumaran Nair (DIN: 11673376) as a Non-Executive Director of the Company

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other rules as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and subject

to such other laws as may be applicable (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company ("AOA"), and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Krishna Kumar Sukumaran Nair (DIN: 11673376) has been appointed by the Board of Directors as an Additional Director (Non-Executive Non-Independent) of the Company w.e.f. 23rd June 2026 under section 161 of the Act and the AOA of the Company, who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Director of the Company, liable to retire by rotation, on such terms and conditions including remuneration, as stated in the explanatory statement hereto;

RESOLVED FURTHER THAT Board of Directors of the Company (including any Committee thereof) be authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable to give effect to this resolution."

Item No. 6

Approval for Material Related Party Transactions between the Company and Life Insurance Corporation of India, shareholder of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 13th July 2023 (as updated) including "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions", and the applicable provisions of the Companies Act, 2013 ("the Act") read with the rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof, for the time being in force), the Company's Policy on Materiality of and Dealing with Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and based on the approval and recommendation of the Audit Committee and the recommendation of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter into Material Related Party Transaction(s)/contract(s)/arrangement(s)/agreement(s) (whether by way of an individual transaction or transactions taken

together or series of transactions or otherwise) falling within the definition of 'related party transaction' under Regulation 2(1)(zc) of the Listing Regulations with Life Insurance Corporation of India ("LIC"), a 'Related Party' under Regulation 2(1)(zb)(b)(ii) of the Listing Regulations, on such terms and conditions as mentioned in the explanatory statement to this Notice and as may be mutually agreed between the Company and LIC, such that the maximum value of the related party transactions with LIC, individually or in aggregate, does not exceed ₹ 5,000 crore (Rupees Five Thousand crore only) for a period commencing from the date of 36th Annual General Meeting upto the date of 37th Annual General Meeting of the Company to be held in the year 2027 provided that the said contract(s)/arrangement(s)/agreement(s)/transaction(s) are in the ordinary course of business of the Company and at arm's length basis;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) are hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), deed(s), agreement(s), application(s) and such other documents, papers, forms and writings, as may be required, seeking all necessary approvals to give effect to this Resolution, for and on behalf of the Company and settling all issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT all actions taken by the Board of Directors of the Company (including any Committee thereof) in connection with any matter referred to or contemplated in this Resolution, be approved, ratified and confirmed in all respects."

Item No. 7

Increase in the borrowing limits of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Special Resolution passed by the Members of the Company at the 35th Annual General Meeting of the Company held on 22nd July 2025 and pursuant to the provisions of section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the rules made thereunder (including any statutory amendment(s), or modification(s) thereto or reenactment(s) thereof for the time being in force) and in terms of the relevant provisions of the Articles of Association of the Company, the approval of the

Members of the Company be and is hereby accorded to the Board of Directors of the Company ("Board") (including any Committee thereof) or to such persons as may be authorised by the Board/Committee, to raise funds/borrow, from time to time, for the purpose of the business of the Company, any sum or sums of monies for and on behalf of the Company, in Indian Rupees and/or in any foreign currency:

- (i) by way of availing of credit facilities (fund based and non-fund based), and all kinds of borrowings/ financial arrangements/structured finance by all permissible methods, secured and/or unsecured from banks, financial institutions, bodies corporate or any person(s),
- (ii) by way of issue of foreign currency notes, bonds, rupee denominated bonds or any other eligible instrument to the eligible investors/lenders in the international market on private placement basis, through public issue or otherwise or availing of loan(s) by way of external commercial borrowing as may be permissible by the Reserve Bank of India, from eligible lenders or persons,
- (iii) by way of secured/unsecured securities or instruments including issue of redeemable non-convertible debentures, subordinated debentures, bonds, commercial papers or any other security or instrument(s) on private placement basis, or through public issue, or otherwise, in permissible markets, to institutional investors, foreign institutional investors/foreign portfolio investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, state industrial development corporations, provident funds, pension funds, superannuation funds, gratuity funds, venture capital funds, alternative investment funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and/or industrial research organisations, partnership firms, limited liability partnerships, resident individuals, high net-worth individuals (HNIs), hindu undivided families (HUFs), retail individual investors or any other eligible persons,
- (iv) by way of acceptance of deposits from public, shareholders, resident individuals, Non-resident Indians (through NRO accounts), trusts, firms, corporates or other eligible persons,

- (v) by way of issuance of any other permissible instruments through any methods of borrowing, whether unsecured or secured by creation of mortgage, charge, hypothecation, lien, pledge or otherwise on the Company's assets and properties, whether movable or immovable,

notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, may exceed, at any time, the aggregate of the paid up share capital, free reserves and securities premium of the Company, provided that the total amount borrowed by the Company and outstanding at any point of time, shall not exceed ₹ 1,75,000 crore (Rupees One Lakh Seventy-five Thousand crore only);

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) or such persons as may be authorised by the Board/Committee, be and are hereby authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board

Brijbala Batwal
Company Secretary
FCS No.:5220

Place: Mumbai
Date: 24th April 2026

Registered Office: Gateway Building,
Apollo Bunder, Mumbai - 400 001.

Corporate Office: Mahindra Towers, 'A' Wing, 3rd Floor,
Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018.
Tel: 022 6652 6000

Head Office & Correspondence address:

Amiti Building, Piramal Agastya Corporate Park,
L.B.S. Main Road, Kamani Junction, Kurla (West),
Mumbai - 400 070.
Tel: 022 6652 3500

CIN: L65921MH1991PLC059642
E-mail ID: company.secretary@mahindrafinance.com
Website: www.mahindrafinance.com

NOTES AND SHAREHOLDER INFORMATION:

1. **CONVENING OF 36TH ANNUAL GENERAL MEETING ("AGM"/"MEETING") THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS ("VC"/"OAVM"):** In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 03/2025 dated 22nd September 2025 read with MCA General Circular Nos. 20/2020, 17/2020 & 14/2020 dated 5th May 2020, 13th April 2020 and 8th April 2020, respectively (collectively referred to as "MCA Circulars"), the Company will be conducting its 36th AGM through VC/OAVM.

KFin Technologies Limited ("KFin" or "KFintech"), Registrar to an Issue and Share Transfer Agent ("RTA") of the Company, shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is provided at Note No. 22 below.

In accordance with the Secretarial Standard - 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards-1 and 2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM is being held through VC/OAVM, the Route Map is not annexed to this Notice.

2. **QUORUM:** Pursuant to the above-mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013 ("the Act").
3. **PROXY:** Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, pursuant to the applicable MCA Circulars, physical attendance of Members at the AGM has been dispensed with. Accordingly, and in furtherance to proviso to Regulation 44(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the facility for appointment of Proxies by the Members

will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. **CORPORATE/INSTITUTIONAL MEMBERS:** Corporate/Institutional Members are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or e-voting at the AGM as mentioned in clause 23(i) B(xi) of this Notice.

5. **EXPLANATORY STATEMENT:** Pursuant to the provisions of section 102 of the Act, an explanatory statement on the Special Businesses at Item Nos. 5 to 7 of this Notice is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 5 to 7, given above as Special Business in the ensuing AGM, as they are necessary for conduct of the Company's Business. Further additional information with respect to Ordinary Business set out in Item No. 4 is also annexed hereto.

6. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In compliance with above MCA Circulars issued in this regard and SEBI Listing Regulations, the Financial Statements (including Board's Report, Auditor's Report and other documents required to be attached therewith) ("Annual Report") for the financial year ended 31st March 2026 ("FY2026") pursuant to section 136 of the Act and the Notice of the 36th AGM ("AGM Notice") pursuant to section 101 of the Act read with the Rules framed thereunder are being sent in electronic mode to those Members whose e-mail addresses are registered with the Company/KFin or the Depository Participant(s) ("DP"). Further, in compliance with Regulation 36 of the Listing Regulations, the Company is sending out a letter providing the web-link, including the exact path, where complete details of the Annual Report is available, to those shareholder(s) who have not registered their email address. Members can request for hard copy of the Annual Report by sending a request at company.secretary@mahindrafinance.com.

A copy of the AGM Notice and the Annual Report for FY2026 is available on the Company's website at <https://www.mahindrafinance.com>, Stock Exchanges' website where the shares of the Company are listed i.e., BSE Limited: <https://www.bseindia.com> and National Stock Exchange of India Limited: <https://www.nseindia.com> and on the website of KFin at <https://evoting.kfintech.com>.

- 7. DIVIDEND:** The dividend on equity shares for FY2026, as recommended by the Board of Directors, and if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, after Tuesday, 21st July 2026 to those shareholders or their mandates:
- whose names appear as Beneficial Owners as at the end of the business hours on **Monday, 13th July 2026** in the list of Beneficial Owners to be furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of the shares held in dematerialized ("demat") form; and
 - whose names appear as Members in the Register of Members of the Company as at the end of the business hours on **Monday, 13th July 2026** in respect of the shares held in physical form, after giving effect to valid request(s) received for transmission/transposition of shares and lodged with the Company or RTA on or before Monday, 13th July 2026.
- 8. ELECTRONIC CREDIT OF DIVIDEND:** SEBI vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 dated 18th November 2025 has mandated **payment of dividends, interest, redemption or repayment amounts to be made only in electronic mode**. It has made it mandatory for all companies to use the bank account details of the shareholders furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company makes electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

Request members to update their KYC and Bank account details for receiving dividends directly in bank account:

- a) Securities held in physical form:** Pursuant to SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026 ("SEBI Master Circular for RTAs"), security holders holding securities in physical form are requested to ensure that their KYC details are duly updated. Upon completion of the requisite KYC formalities, all payments, including dividend, interest, or redemption proceeds, will be processed through electronic mode only.

Accordingly, Members holding securities in physical form are kindly requested to update the following KYC details with the RTA:

Sr. No.	KYC Requirements	Forms to be submitted
1.	PAN	Form ISR-1
2.	Address (with PIN)	
3.	Email address	
4.	Mobile Number	
5.	Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code)	Form ISR-2
6.	Specimen Signature	
7.	Nomination details (either opt-in or opt-out)	Form SH-13 (Form ISR-3 - for opting out of Nomination)

Further, relevant FAQs published by SEBI on its website can be viewed at the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2026/1767611333081.pdf. FAQs have also been uploaded by the Company at the link: <https://media.mahindrafinance.com/2025/11/MMFSL-Investor-Service-FAQs>.

The aforesaid forms are available on the RTA's website at <https://ris.kfintech.com/clientservices/isr/isrforms.aspx> and on the Company's website at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders>.

Modes for submission of Documents/Information:

Through 'In Person Verification' ("IPV")	Physical/Hard copy	Through Electronic Mode with e-sign
The original documents can be submitted by the investor in person at RTA's office which shall be verified by the authorised person of the RTA and copy(ies) will be retained with IPV stamping with date and initials.	By furnishing original/photocopy(ies) of the relevant document duly self-attested with date at below address: KFin Technologies Limited Unit: Mahindra & Mahindra Financial Services Limited Plot No 31 & 32, Selenium Building, Tower B, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana-500 032 Email: einward.ris@kfintech.com Website: www.kfintech.com Toll Free No.: 1800-309-4001	In case the email address is already registered with RTA, the investor may send the scanned copies of their KYC documents/service requests with e-sign at the RTA's email-id: einward.ris@kfintech.com OR Upload KYC documents with e-sign on RTA's website at the link: https://ris.kfintech.com/clientservices/isc/iscforms.aspx

On completion of above KYC, the RTA shall, suo-moto, generate request to the Company's bankers to pay electronically, all the monies of/payments to the holder that were previously unclaimed/unsuccessful.

- b) Securities held in dematerialized form:** Members holding securities in demat form are requested to submit/update their KYC details with their respective DP.

- 9. TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 2025 ("IT Act 2025"), as amended by the Finance Act, 2026, dividend income is taxable in the hands of shareholders and therefore, the Company shall be required to deduct tax at source ("TDS") from dividends paid to shareholders at the prescribed rates. For the prescribed rates applicable for Financial Year ("FY") 2026-27 (Tax Year), shareholders are requested to refer to the relevant provisions of the IT Act 2025 read with the applicable Finance Act and amendments thereto. Shareholders are requested to update their PAN with the Company/KFin (in case of shares held in physical mode) and the Depositories (in case of shares held in demat mode) on or before **Monday, 6th July 2026**.

TDS Provisions and Documents required, as applicable for the relevant category of Shareholders:

I. FOR RESIDENT SHAREHOLDERS:

(a) Resident Individual:

No Tax shall be deducted on the dividend payable to a resident individual if the total dividend to be paid by the Company to the individual during FY 2026-27 does not exceed ₹ 10,000/-.

In cases where the shareholder provides **Form 121** [erstwhile Forms 15G and 15H-applicable to individual or a person (not being a company or firm) and individuals aged 60 years and above, respectively], no tax at source shall be deducted, provided that the eligibility conditions are being met.

Members are requested to note that in case PAN is not available or is inoperative (PAN not linked with Aadhaar), Tax shall be deducted at the higher applicable rate of 20%.

(b) Resident Non-Individual:

- a. Tax shall be deducted at source under section 393(1) of the IT Act 2025 at the rate of 10% on the amount of dividend declared and paid by the Company during the FY 2026-27 provided a valid PAN is provided by the shareholder. If PAN is not submitted, tax shall be deducted at the higher applicable rates in accordance with section 397(2) of the IT Act 2025.

- b. No tax shall be deducted on the dividend payable to the following resident non-individuals, where they provide relevant details and documents:

- i. Insurance Companies:** Self-declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it, along with a self-attested copy of the PAN card and certificate of registration with the Insurance Regulatory and Development Authority of

India/Life Insurance Corporation of India/General Insurance Corporation of India.

- ii. **Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Schedule VII(20) of the IT Act 2025 along with a self-attested copy of the PAN card and certificate of registration with SEBI.
- iii. **Alternative Investment Fund (AIF):** Self-declaration that its income is exempt under Schedule V(1) of the IT Act 2025 and they are registered with SEBI as Category I or Category II AIF, along with a self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- iv. **New Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is exempt under the corresponding provisions of the IT Act 2025 and is being regulated by the provisions of the Indian Trusts Act, 1882 along with a self-attested copy of the PAN card.
- v. **Other Non-Individual shareholders:** Self-attested copy of documentary evidence supporting the exemption, along with a self-attested copy of PAN card.

Note: For shareholders mentioned in category (i) to (iv) above, requested documents may be provided on voluntary basis.

II. FOR NON-RESIDENT SHAREHOLDERS:

Tax is required to be withheld in accordance with the provisions of section 393 of the IT Act 2025, at the rates in force (plus applicable surcharge and cess) on the amount of dividend payable to non-resident shareholders.

In the case of Foreign Portfolio Investors ("FPI")/Foreign Institutional Investors ("FII"), tax shall be withheld at the rates applicable to such shareholders under the provisions of the IT Act 2025, read with the applicable Finance Act, plus applicable surcharge and cess.

However, as per section 159 of the IT Act 2025, the Non-Resident shareholder has the option to be governed by the provisions

of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- Self-attested copy of Tax Residency Certificate (TRC) for FY 2026-27 obtained from the tax authorities of the country of which the shareholder is a resident.
- Shareholders who have PAN and propose to claim treaty benefits need to mandatorily file **Form 41** (corresponding to erstwhile Form 10F) which can be downloaded at the link: <https://www.incometaxindia.gov.in/documents/d/guest/form-no-41-1> with effect from 1st April 2026 to avail the benefit of DTAA.
- Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement for FY 2026-27.
- Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty.
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, copy of SEBI registration certificate.
- In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder.

Members may submit the aforementioned documents at <https://ris.kfintech.com/client-services/investors/taxforms.aspx> on or before **Monday, 6th July 2026**, in order to enable the Company to determine and deduct appropriate tax. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the

aforementioned details/documents from the shareholders, there would still be an option available with the shareholders to file the return of income and claim an appropriate refund, if eligible.

No communication on the tax determination/ deduction shall be entertained post Monday, 6th July 2026.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also provide the Company with all information/documents and co-operation in any appellate proceedings.

An email communication informing the shareholders about relevant procedure to be adopted by them to avail the applicable tax rate has been sent by the Company at the registered email IDs of the Shareholders on Thursday, 4th June 2026. For more details please refer Company's website at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders>.

10. TRANSFER TO IEPF: Pursuant to sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("the IEPF Rules") and Regulation 61A of the Listing Regulations, all unclaimed dividend, application money, principal/maturity amount of debentures and deposits as well as interest accrued on application money, matured debentures and matured deposits, etc. remaining unclaimed for a period of 7 years from the date it is transferred to Unpaid dividend account/Escrow account, is required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government.

You are requested to claim the following unclaimed amounts:

- **Unclaimed Dividend:** You are requested to claim and encash dividends declared by the Company in previous years, if unclaimed by you, by sending a request at einward.ris@kfintech.com. **With respect to unclaimed dividend, if any, for FY 2018-19, kindly claim the same on or before Thursday, 27th August 2026.** Details of unclaimed dividend is available on the website of the Company.
- **Fixed Deposits placed with the Company:** If you have placed fixed deposit with the Company, you are requested to claim the maturity and interest amounts thereon, paid

by the Company, if unclaimed/un-encashed by you, by sending an e-mail to fixeddeposit@mahindrafinance.com or uploading the documents (ID proof & personalised cheque copy/bank statement) against the FDR no. at the link: <https://www.mahindrafinance.com/customer-service/write-to-us>.

- **Non-Convertible Debentures ("NCDs"):** If you have subscribed to Company's NCDs, you are requested to claim your maturity amount of NCDs and interest thereon if any, paid by the Company, if unclaimed/un-encashed by you, by sending a request at einward.ris@kfintech.com.

The details of Unclaimed Dividends and Unclaimed Matured Debentures/Interest on Debentures/ Application Money, to be transferred to IEPF are uploaded on the Company's website at: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#statements-of-unclaimed-and-unpaid-amounts>, and at <https://www.mahindrafinance.com/investor-relations/debt-information#statements-of-unpaid-and-unclaimed-amounts>, respectively. You are requested to verify if any unclaimed amounts are due to you.

Members are also requested to note that, pursuant to the provisions of section 124 of the Act read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF Authority.

In accordance with the aforesaid IEPF Rules, physical letters were sent to Members of the Company at their latest available addresses, whose shares are liable for transfer to the IEPF Authority during FY2026-27. Members were advised to claim their unclaimed/unpaid dividend before 27th August 2026, to avoid such transfer of shares to IEPF Authority. Intimations were also sent through email to those Members whose email addresses were registered. Notice in this regard was published on Friday, 15th May 2026 in the newspapers viz. Business Standard (in English Language - PAN India) and Sakal (in Marathi language - Mumbai). No claim shall lie against the Company in respect of the shares/unclaimed amounts so transferred.

Members/Investors whose shares, unclaimed dividend, matured deposit(s), matured debentures, application money due for refund, or interest thereon, etc., has been transferred to the IEPF, may claim the shares or apply for refund of the unclaimed amounts as the case may be, from the IEPF Authority, by making an application in web-Form IEPF-5. Process for filing the application can be viewed at IEPF website at the link: <https://www.iepf.gov.in/content/iepf/global/master/Home/Home.html>

Due dates of transferring unclaimed/unpaid dividends declared by the Company for FY 2018-19 and thereafter to IEPF are as under:

Financial Year	Date of declaration of dividend	Proposed period for transfer of unclaimed dividend to IEPF	Amount of unclaimed dividend (in ₹) (As on 31 st March 2026)
2018-19	23 rd July 2019	28 th August 2026 to 27 th September 2026	10,75,412.00
2019-20	No Dividend was declared		
2020-21	26 th July 2021	26 th August 2028 to 24 th September 2028	3,01,601.00
2021-22	28 th July 2022	28 th August 2029 to 26 th September 2029	6,34,073.40
2022-23	28 th July 2023	28 th August 2030 to 26 th September 2030	8,54,969.00
2023-24	23 rd July 2024	23 rd August 2031 to 21 st September 2031	15,42,847.50
2024-25	22 nd July 2025	22 nd August 2032 to 20 th September 2032	11,36,653.50

Note: Last date for claiming unclaimed dividend of FY2018-19 is 27th August 2026.

11. NOMINATION: Members can avail of the facility pursuant to the provisions of section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members holding shares in physical form desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFin Technologies Limited at Plot No. 31 & 32, Selenium Building, Tower B, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana - 500 032.

Members desiring to opt out or cancel the earlier nomination and record a fresh nomination, may submit the same in Form ISR-3 or SH-14 as the case may be. Aforesaid forms are available on the RTA's website at <https://ris.kfintech.com/client-services/isc/isrforms.aspx> and on the Company's website at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders>.

Members holding shares in demat form may contact their respective DPs for availing this facility.

12. TRANSFER & TRANSMISSION OF SHARES:

(a) Transfer request in Demat form only: As per Regulation 40 of the Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form. Further, SEBI vide SEBI Master Circular for RTAs, has mandated listed

companies to issue securities in dematerialized form while processing service request for issue of duplicate securities certificate/claim from unclaimed suspense account/renewal/exchange/endorsement/sub-division/splitting/consolidation/transmission/transposition of securities etc.

In view of the above and to eliminate the risks associated with physical shares and to avail various benefits of dematerialization, **Members are advised to dematerialize their shares held in physical form.**

Members are accordingly requested to get in touch with any DP having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFin to seek guidance on the demat procedure. Members may also visit the website of depositories viz. NSDL: <https://nsdl.co.in/faqs/faq.php> or CDSL: <https://www.cdslindia.com/investors/open-demat.html> for further understanding the demat procedure.

(b) Simplified Procedure for transmission of securities and Issuance of Duplicate Share certificates: SEBI vide SEBI Master Circular for RTAs has simplified the procedure and standardized the format of documents for transmission of securities and issuance of duplicate securities certificates by physical holders. Members are requested to submit their requests, if any, along with documents as per the said circulars.

13. KPRISM - WEB-BASED APPLICATION BY KFin:

Members are requested to note that KFin has a web-application - KPRISM (website: <https://kprism.kfintech.com>) providing online service to Members. Members can register themselves for availing host of services viz., view of consolidated portfolio serviced by KFin, dividend status, requests for change of address, change/update bank mandate. Through the application, Members can download annual reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

14. GREEN INITIATIVE: Request to provide/update e-mail address - Members are requested to support the Green Initiative of the Company by registering/updating their e-mail addresses, with the DP (in case of shares held in dematerialized form) or with KFin (in case of shares held in physical form) in order to receive Notices, Annual Reports, Dividend and Tax intimations and other communications in electronic mode.

15. PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE MEMBERS:

- a) Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - i. Members holding shares in demat form can get their email ID registered by contacting their respective DP.
 - ii. Members holding shares in physical form may register their email address and mobile number with KFin by sending Form ISR-1 and other relevant forms to KFin Technologies Limited at Plot No. 31 & 32, Selenium Building, Tower B, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana - 500 032 for receiving the AGM Notice and the e-voting instructions.
- b) Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/KFin to enable servicing of notices/ documents/Annual Reports electronically to their e-mail address in future.

16. PROCEDURE FOR INSPECTION OF DOCUMENTS:

The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of contracts or arrangements in which Directors are interested maintained under section 189 of

the Act and the relevant documents referred to in this AGM notice, explanatory statement and additional information, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of **AGM, i.e., Tuesday, 21st July 2026**. Members seeking to inspect such documents can send an E-mail to Company's investor E-mail ID: company.secretary@mahindrafinance.com.

17. SEBI INVESTOR WEBSITE: SEBI's Investor website <https://investor.sebi.gov.in> contains information on personal finance and investment useful for existing and new investors. It also includes videos prepared by Market Infrastructure Intermediaries related to securities market process education and awareness messages. The SEBI Investor Website aims to assist individuals in taking control of their money, leading to better outcomes in their investment journey. It offers guidance on managing money well and making sound financial decisions independently. The financial awareness content, tools, and calculators available on the website can help people of all ages, backgrounds, and incomes to be in control of their financial decisions. The SEBI Investor website promotes confident and informed participation by investors in the securities market. The details of the same is also available on the Company's website.

18. ONLINE PROCESSING OF INVESTOR SERVICE REQUESTS & COMPLAINTS BY RTA: Pursuant to SEBI Master Circular for RTAs, KFin has digitized the process for investors to lodge service requests and complaints online and thereafter track the status and obtain periodical updates by way of an online Portal which can be accessed at the path: <https://ris.kfintech.com/> Investor Services.

Upon successful registration on the portal, investor would be able to view their holdings, lodge service requests/complaints for the respective companies and track the status of service requests/ complaints so lodged. For further queries in this regard, you may reach out to KFin.

19. INVESTOR GRIEVANCES: In case of any grievances, Investors can email to the RTA at the email ID: einward.ris@kfintech.com with copy to company.secretary@mahindrafinance.com. As per SEBI investor charter, as amended, in case the grievance remains unresolved within the prescribed timeline of 21 days, Investors can lodge their grievance on SEBI platform SCORES at <https://scores.sebi.gov.in/>. They can resort to Online Dispute Resolution ("SMARTODR") mechanism at <https://smartodr.in/login> or other appropriate civil remedies.

20. INVESTOR GRIEVANCE REDRESSAL FRAMEWORK:

The Company has adopted an Investor Grievance Redressal Framework with an objective to promote and build prompt investor grievance redressal mechanism and maintain investor friendly relations. It recognizes the investors' right to have contact address of concerned persons to enable them to send any query or record a grievance. This also enables the Company to use investors' views as a feedback mechanism.

The Company has an established mechanism for providing investor services and grievance handling, with KFin, and has designated email IDs viz company.secretary@mahindrafinance.com (for equity holders) and mmfsl_treasury_ncd@mahindrafinance.com (for NCD holders) for handling investor grievances on which investor can send a complaint.

The Company has also constituted a Stakeholders Relationship Committee which functions under the Chairmanship of an Independent Director, to examine and redress complaints by investors.

The Framework is available on Company's website at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

21. DISCLOSURE OF AGREEMENTS TO STOCK EXCHANGES ENTERED INTO BY SHAREHOLDERS OF THE COMPANY:

Regulation 30A of Listing Regulations requires disclosure to the Stock Exchanges of Agreements entered into by shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party whether solely or jointly which, either directly or indirectly or potentially or whose purpose and effect is to, impact the Management or Control of the Company or Impose any Restriction or Create any Liability upon the Company. Disclosure of any Rescission, amendment or alteration of such agreements, if any is also required to be provided.

Shareholders are requested to provide a disclosure to the Company of the said agreements, if any, to which the Company is not a party at company.secretary@mahindrafinance.com

within 2 working days of entering into the agreement or signing an agreement to enter into such agreements in the format as prescribed by SEBI vide its Master Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated 11th July 2023 (as updated) ("SEBI Master Circular on LODR").

For more details please refer Company's website at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders>

22. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:

- a) **ATTENDING THE AGM:** Members will be provided with the facility to attend the AGM through video conferencing platform provided by KFin. Members are requested to login at <https://emeetings.kfintech.com> by using the login credentials provided in the E-mail received from KFin. After logging in, click on the **Video Conference tab** and select the EVEN of the Company i.e., '**Mahindra & Mahindra Financial Services Limited**'. Click on the video symbol and accept the Meeting etiquettes to join the Meeting. Members who do not have or forgotten the User ID and password for e-voting, may retrieve the same by following the remote e-voting instructions mentioned below in Note No. 23.
- b) Members can join the AGM through VC/OAVM at least 30 minutes before the scheduled time of the commencement of the Meeting and this mode will be available throughout the proceedings of the AGM.
- c) Members will be required to grant access to the webcam to enable VC/OAVM. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome (preferred browser), Safari, Internet Explorer 11, MS Edge or Firefox. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.

23. PROCEDURE FOR REMOTE E-VOTING

In compliance with the provisions of section 108 of the Act read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and the provisions of Regulation 44 of the Listing Regulations read with SEBI Master Circular on LODR, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin on all resolutions set forth in this Notice, through remote e-voting.

The remote e-voting facility will be available during the following period:

Day, date and time of commencement of remote e-voting	From: Thursday, 16 th July 2026 at 9:00 a.m. [IST]
Day, date and time of end of remote e-voting	To: Monday, 20 th July 2026 at 5:00 p.m. [IST]

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module

shall be disabled by KFin upon expiry of the aforesaid period. Once the vote on a Resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

i. Information and instructions for Remote e-voting by Individual Shareholders holding shares of the Company in demat mode:

In terms of SEBI Master Circular on LODR read with other applicable circulars on "E-voting facility provided by Listed Entities", Individual Shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat account/websites of Depositories and DPs, in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in the E-voting process. Shareholders are advised to update their mobile number and e-mail address with their DPs to access E-voting facility.

The procedure to login and access remote e-voting, as devised by the Depositories/DPs is given below:

A. Login Method for Individual Shareholders holding shares in Demat mode through National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"):

NSDL	CDSL
1 User already registered for IDeAS e-Services facility of NSDL may follow the following procedure: - Visit URL: https://eservices.nsdl.com - Click on the "Beneficial Owner" icon under "IDeAS" section. - On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" under value added services on the panel available on the left hand side. - Click on "Active e-voting cycle" option under e-voting. - Click on the e-voting link available against Company Name "Mahindra & Mahindra Financial Services Limited" or select e-voting service provider "KFintech" and you will be redirected to the e-voting page of Kfin to cast your vote without any further authentication.	1 Users already registered for Easi/Easiest facility of CDSL may follow the following procedure: - Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login OR URL: https://www.cdslindia.com/ and click on "Login" icon available on the right hand side and then click on "My Easi New (Token)" icon. - Login with your Registered User ID and Password. - Option will be made available to reach e-Voting page without any further authentication. - You will see the e-Voting Menu. The Menu will have links of E-voting Service Provider i.e. "KFintech" e-Voting portal where the e-voting is in progress. - Click on e-Voting service provider - "KFintech" to cast your vote.

NSDL	CDSL
2 Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure: - To register click on link: https://eservices.nsdl.com - Select "Register Online for IDeAS" on the panel available on the left hand side or click on the below link: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Proceed to complete registration using your DP ID/Client ID, mobile number, etc. - After successful registration, please follow steps given in Point 1 above to cast your vote.	2 Users not registered for Easi/Easiest facility of CDSL may follow the following procedure: - Option to register is available at https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration - Proceed with completing the required fields. - Follow the steps given in Point 1 above to cast your vote.
3 By visiting the e-voting website of NSDL - Visit URL: https://www.evoting.nsdl.com/ - Click on the "Login" icon which is available under "Shareholder/Member" section. - A new screen will open. Please enter your User ID (i.e. your sixteen-digit demat account number held with NSDL starting with "IN") and Password (in case you are registered with NSDL platform) or through OTP (in case your mobile number/e-mail address is registered in your Demat account) and a Verification Code as shown on the screen. - Post successful authentication, you will be requested to select the Company name i.e. "Mahindra & Mahindra Financial Services Limited" or the e-voting Service Provider, i.e. "KFintech". - On successful selection, you will be redirected to the e-voting page of KFintech to cast your vote without any further authentication.	3 By visiting the e-voting website of CDSL - Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin Provide your Demat Account Number and PAN. - System will authenticate user by sending OTP on registered mobile number & e-mail as recorded in the Demat Account. - On successful authentication, you will enter the e-voting module of CDSL. Click on the e-voting link available against "Mahindra & Mahindra Financial Services Limited" or select e-voting service provider "KFintech" and you will be re-directed to the e-voting page of KFin to cast your vote without any further authentication.
4 For OTP based login - Visit URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp - Enter your 8-digit DP ID, 8-digit Client Id, PAN, Verification code and generate OTP. - Enter the OTP received on registered email id/mobile number and click on login. - Post successful authentication, you will be requested to select the Company name i.e. "Mahindra & Mahindra Financial Services Limited" or the e-voting Service Provider, i.e. "KFintech". - On successful selection, you will be redirected to the e-voting page of KFintech to cast your vote without any further authentication.	

• **Login Method for Individual Shareholders holding shares in Demat mode through their demat accounts/website of Depository Participant**

- (i) Members can also login using the login credentials of their Demat account through their DP registered with NSDL/CDSL for E-voting facility.
- (ii) Once you login, you will be able to see E-voting option. Click on E-voting option and you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see E-voting feature.
- (iii) Click on options available against the Company's name '**Mahindra & Mahindra Financial Services Limited**' or E-voting service provider - '**KFintech**' and you will be redirected to E-voting website of KFintech for casting your vote during the remote E-voting period without any further authentication.

Important Note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at the respective websites.

Helpdesk for Individual Shareholders holding shares of the Company in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Shares held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990
Shares held with CDSL	Please contact CDSL helpdesk by sending a request at evoting@cdslindia.com or call at toll free no.: 1800 210 9911

B. Login method for e-voting for shareholders other than Individual shareholders holding shares in demat mode and all shareholders holding shares in physical mode.

- a) Members whose e-mail IDs are registered with the Company/DPs, will receive an e-mail from KFintech which includes details of E-voting Event Number ("EVEN"), User ID and password and follow the following process:
 - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>

- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-voting Event Number) - 9799, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for E-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Mahindra & Mahindra Financial Services Limited' and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the **cut-off date i.e. Monday, 13th July 2026** under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN". If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - ix. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have confirmed, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
 - xi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: motaandmiraniassociates@gmail.com with a copy marked to KFinTech at evoting@kfintech.com and to the Company at company.secretary@mahindrafinance.com. They may also upload the same in the E-voting module. The scanned file of the abovementioned documents should be in the naming format "MMFSL-AGM 2026". It should reach the Scrutinizer, KFinTech and the Company not later than Friday, 17th July 2026 (5:00 p.m. IST).
- b) In case e-mail ID of a Member is not registered with the DP/Company/RTA, then such Member is requested to register/update their e-mail addresses with the DP (in case of Shares held in dematerialised form) and with RTA in case of shares held in physical form:
- (i) Upon registration, Member will receive an e-mail from KFin which includes details of E-Voting Event Number (EVEN), USER ID and password.
 - (ii) Please follow all steps from Note No. 23(B) above to cast your vote by electronic means.

24. VOTING AT THE AGM

- (i) The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- (ii) The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM. Upon clicking the e-voting window, Members will be directed to the "Instapoll" page. An icon, "Vote", will be available at the bottom left on the Meeting Screen.
- (iii) E-voting during the AGM is integrated with the VC/OAVM platform and no separate login is required for the same.
- (iv) Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- (v) Members who have already cast their votes by remote e-voting are eligible to attend the Meeting through VC/OAVM; however, these Members are not entitled to cast their vote again during the Meeting.

General Instructions/Information for Members for voting on the Resolutions:

- i. A Member can opt for only a single mode of voting i.e. through remote e-voting or e-voting at the AGM.
- ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, 13th July 2026. Members are eligible to cast their vote either through remote e-voting or in the AGM only if they are holding shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.

iii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., Monday, 13th July 2026 or Member has forgotten the User ID and Password, he/she/it may obtain the User ID and Password in the manner as mentioned below:

- a. If the mobile number of the Member is registered against DP ID Client ID/Folio No., the Member may send below SMS to 9212993399:

For shares held in Demat mode: MYEPWD <space> DP ID Client ID

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

For shares held in Physical mode: MYEPWD <space> E-Voting Event Number + Folio No.

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address and mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com> the Member may click "Reset Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call on KFin's toll-free number 1800-309-4001 [from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days].
- d. Member may send an e-mail request to evoting@kfintech.com. After due verification of the request, User ID and password will be sent to the Member.
- e. If the Member is already registered with KFin's E-voting platform, then he/she/it can use his/her/its existing password for logging-in.

25. In case of any query and/or help, in respect of attending the AGM through VC/OAVM mode or any query and/or grievance, in respect of voting by electronic means, Members may refer to the Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of <https://evoting.kfintech.com> or contact Ms. Surabhi Gangatirkar, Manager - RIS at inward.ris@kfintech.com or evoting@kfintech.com or call KFin's Toll Free No. 1800-309-4001 for any further clarifications.

26. SUBMISSION OF QUESTIONS/QUERIES PRIOR TO AGM:

- (a) For ease of conduct of AGM, Members desiring any additional information or wanting to ask questions/express their views **on the items of businesses to be transacted at this AGM** are requested to send e-mail from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to the Company's investor id: company.secretary@mahindrafinance.com, **on or before 5:00 p.m. (IST) on Friday, 17th July 2026** to enable the Management to keep the information ready. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
- (b) Alternatively, Members holding shares as on the cut-off date i.e., **Monday, 13th July 2026** may also visit <https://evoting.kfintech.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, DP ID and Client ID number/folio number, E-mail ID and mobile number. The window shall be activated from commencement of the remote e-voting and shall be closed by 5:00 p.m. (IST) on Friday, 17th July 2026.
- (c) Members can also post their questions during AGM through the "Ask A Question" tab, which will be available in the VC/OAVM Facility as well as in the one-way live webcast facility.

Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

27. SPEAKER REGISTRATIONS FOR AGM: Members of the Company holding shares as on the cut-off date i.e. Monday, 13th July 2026 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by visiting <https://evoting.kfintech.com/>, and clicking on "Speaker Registration" during the period from **Thursday, 16th July 2026 (9:00 a.m. IST) to Friday, 17th July 2026 (5:00 p.m. IST)** or by sending an email from their registered email ID along with their DP ID and Client ID number/folio number and mobile number, to the Company's investor email ID: company.secretary@mahindrafinance.com during the abovementioned period. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

Members are requested to provide their feedback on the services provided by the Company and its RTA by filling the "Shareholders Satisfaction Survey" form available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/shareholder-satisfaction-survey>. This feedback will help the Company in enhancing Shareholder Service Standards.

28. WEBCAST: Your Company will be providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the website of KFin at <https://emeetings.kfintech.com> using their secure login credentials. Members are encouraged to use this facility of webcast. During the live webcast of AGM, Members may post their queries in the message box provided on the screen.

29. SCRUTINIZER FOR E-VOTING AND VOTING RESULTS: Mr. Keyur H Mirani (Membership No.: ACS 26354/COP No.: 24035) or failing him Ms. Akanksha Mota (Membership No.: ACS 24626/COP No.: 15096), Partners of M/s Mota & Mirani Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as e-voting during the AGM, in a fair and transparent manner.

The Scrutinizer will, after the conclusion of the e-voting at the meeting, scrutinize the votes cast at the meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Company or any other person of the Company authorized by the Chairman, who shall countersign the same. The results shall be declared within the time stipulated under applicable laws. The results declared along with the consolidated Scrutinizer's Report will be placed on the website of the

Company at the web-link: www.mahindrafinance.com and on the website of KFin at the web-link: <https://evoting.kfintech.com> immediately after the results are declared and will simultaneously be filed with BSE Limited and the National Stock Exchange of India Limited, where the securities of the Company are listed and shall also be displayed at the Registered Office as well as at the Corporate Office of the Company.

30. TRANSCRIPT OF AGM: The transcript of the AGM shall be made available on the website of the Company at the web link: <https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports>.

By Order of the Board

Brijbala Batwal
Company Secretary
FCS No.:5220

Place: Mumbai
Date: 24th April 2026

Registered Office: Gateway Building,
Apollo Bunder, Mumbai - 400 001.

Corporate Office: Mahindra Towers, 'A' Wing,
3rd Floor, Dr. G. M. Bhosale Marg, Worli,
Mumbai - 400 018.
Tel: 022 6652 6000

Head Office & Correspondence address: Amiti
Building, Piramal Agastya Corporate Park,
L.B.S. Main Road, Kamani Junction, Kurla (West),
Mumbai - 400 070.
Tel: 022 6652 3500

CIN: L65921MH1991PLC059642
E-mail ID: company.secretary@mahindrafinance.com
Website: www.mahindrafinance.com

ADDITIONAL INFORMATION WITH RESPECT TO ITEM NO. 4 OF THE NOTICE

Item No. 4

Re-appointment of Mr. Amarjyoti Barua (DIN: 09202472) as a Director liable to retire by rotation

In terms of the provisions of section 152(6) of the Companies Act, 2013 ("Act"), Mr. Amarjyoti Barua, Non-Executive Director (Non-Independent) of the Company, is liable to retire by rotation, and being eligible, has offered himself for re-appointment.

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, is given below:



Name of the Director	Mr. Amarjyoti Barua
Designation and Category of Director	Non-Executive Director (Non-Independent)
Director Identification Number (DIN)	09202472
Nationality	Indian
Date of Birth/Age	16 th September 1977/48 years
Date of first appointment on the Board	28 th July 2023
Tenure with the Company as Director (as on date of this Notice)	~3 years
Brief Resume including qualification and experience	Mr. Barua is the Chief Financial Officer for the Mahindra Group and a member of Group Executive Board. He was the Group Strategy Head until May 2024. He holds a Bachelor's degree in Economics and a Master's degree in Business Administration. Prior to joining Mahindra & Mahindra Limited in 2023, Mr. Barua was the Finance Leader for Oilfield Services & Equipment (OFSE) segment of Baker Hughes for 6 years. As the finance leader for OFSE, he was responsible for partnering with operations to deliver growth & profitability at the \$14 billion, 35000+ employee segment of Baker Hughes. Prior to Baker Hughes, Mr. Barua held multiple roles at General Electric Co. (GE) over the course of 18 years. He was the Chief Financial Officer (CFO) for GE's Power Conversion business. He was also the CFO for GE Mining, Financial Planning & Analysis Leader for GE in India and Executive Audit Manager at GE's Corporate Audit Staff. In his early years with GE, Mr. Barua completed the Financial Management Program and served as the finance manager for GE Aircraft Engines in India before joining the Corporate Audit Staff.
Expertise in specific functional areas	Mr. Barua's expertise includes strategy, controllership and governance, technology and innovation, risk management, and business transformation.

Directorships held in companies (excluding Foreign Companies) as on date of this Notice along with chairpersonship/membership on the Committees of the Board of Directors	Mr. Barua is as a Non-Executive Director (Non-Independent) of Mahindra & Mahindra Financial Services Limited (Listed Company), serving as a member of the Audit Committee, Asset Liability Committee, Risk Management Committee, IT Strategy Committee, Digital and AI Committee, and the Review Committee for classification of wilful defaulters. Mr. Barua is a Non-Executive Director in Mahindra Rural Housing Finance Limited (Debt-listed Company) where he is a member of the Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Audit Committee; Mr. Barua also holds Non-Executive Director positions in unlisted entities of the Mahindra group, as under: Mahindra Manulife Trustee Private Limited where he is a member of the Audit Committee and Risk Management Committee; Mahindra Insurance Brokers Limited; Classic Legends Private Limited where he is the Chairperson of the Audit Committee; Mahindra Holdings Limited where he is a Chairperson of the Finance & Accounts Audit Committee; Mahindra Susten Private Limited where he is a member of the Audit Committee; Sustainable Energy Infra Investment Managers Private Limited where he is a member of the Audit Committee, Stakeholders' Relationship Committee and Investment Committee; and New Democratic Electoral Trust (Section 8 Company).
Listed entities from which the Director has resigned in the past three years	Tech Mahindra Limited (resigned w.e.f. 1 st October 2024, in view of his work commitments).
Number of Equity Shares held in the Company by himself or on beneficial basis for any other person	Nil
Number of meetings of the Board attended in the last 3 years	Mr. Barua has attended all Board meetings of the Company held during his tenure in FY 2024, FY 2025 & FY 2026, reflecting 100% attendance.
Terms and Conditions of appointment, details of remuneration sought to be paid and the last drawn remuneration from the Company	Mr. Barua is in the whole-time employment of Mahindra & Mahindra Limited (Promoter and Holding Company) and draws remuneration from it. Mr. Barua does not receive any sitting fees or commission from the Company.
Relationship with other Directors/ Key Managerial Personnel ("KMP")/Manager of the Company	None

The Company has received a declaration from Mr. Barua confirming that he is not debarred from holding the office of director pursuant to any order issued by the Securities and Exchange Board of India or any other authority and he is not disqualified from being re-appointed as a Director of the Company under section 164(2) of the Act. He complies with the 'Fit and Proper' criteria prescribed by the Reserve Bank of India and Insurance Regulatory and Development Authority of India.

Save and except Mr. Barua and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel(s) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of this Notice.

The Nomination and Remuneration Committee and Board are of the view that Mr. Barua's continued association will add value to the Board deliberations, and accordingly recommends the ordinary resolution set out at Item No. 4 of this Notice for approval of the Members of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Appointment of Mr. Krishna Kumar Sukumaran Nair (DIN: 11673376) as a Non-Executive Director of the Company

Background:

Life Insurance Corporation of India ("LIC") holds 14,26,25,702 equity shares, constituting 10.26% of the paid-up share capital of the Company as on 31st March 2026.

Mr. Ashwani Ghai (DIN: 09733798) was appointed as Non-Executive Director (Non-Independent) on the Board of the Company w.e.f. 23rd June 2023, representing LIC. The Company has received a notice in writing from LIC, Member of the Company, under section 160 of the Companies Act, 2013 ("the Act") proposing the candidature of Mr. Krishna Kumar Sukumaran Nair for the office of Director on the Board of the Company, w.e.f. 23rd June 2026 to succeed Mr. Ghai on the Board of the Company. Consequently, the term of Mr. Ghai shall end on 22nd June 2026.

The Board has placed on record appreciation for Mr. Ghai for his valuable inputs and constructive suggestions, which significantly contributed to enhancing the quality of Board deliberations and decision making.

Consequent to the above, the Board of Directors of the Company ("Board"), pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Krishna Kumar Sukumaran Nair (DIN: 11673376) as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. 23rd June 2026. He holds office upto the date of the ensuing Annual General Meeting pursuant to section 161 of the Act and Article 147 of the Articles of Association of the Company.

The proposed appointment is in line with the Policy on Appointment of Directors and Senior Management and Succession Planning for Orderly Succession to the Board and the Senior Management and the Policy on remuneration of Directors of the Company.

Profile of Mr. Krishna Kumar:

Mr. Krishna Kumar Sukumaran Nair is a seasoned financial services sector professional, bringing over 36 years of managerial expertise to the Board of MMFSL. He currently holds the position of Executive Director, Corporate Governance and Chief Compliance Officer of LIC, and is a Key Managerial Person designated by LIC Board. He would retire from LIC upon superannuation, effective 31st May 2026.

With a distinguished career spanning 36 years, Mr. Krishna Kumar is widely regarded for balancing institutional growth with strong ethical governance. He brings deep domain expertise across regulatory compliance, ESG matters, information technology, customer relations, business procurement and housing finance, contributing to sustainable and well-governed organizational leadership.

Since joining LIC of India in 1989 as a Direct Recruit Officer, Mr. Krishna Kumar has held leadership roles across LIC's Administrative and Business spectrum.

Mr. Krishna Kumar is a B.Tech and is a Fellow member of the Insurance Institute of India (FIII). His domain expertise is further enhanced by advanced diploma in Life Insurance Underwriting and specialized diploma in Health Insurance.

Disclosures and declarations:

Mr. Krishna Kumar is not disqualified from being appointed as a Director under section 164(1) and 164(2) of the Act and he satisfies the criteria of 'fit and proper' as prescribed by the Reserve Bank of India and Insurance Regulatory and Development Authority of India. He is not debarred from holding the office of Director by virtue of SEBI Order or any such authority pursuant to BSE Circular No. LIST/COMP/14/2018-19 and the National Stock Exchange of India Limited Circular No. NSE/CML/2018/24, both dated 20th June 2018 ("Stock Exchange Circulars") pertaining to Enforcement of SEBI Orders regarding appointment of Directors by the listed companies, and has given his consent in writing to act as a Director of the Company. He meets the conditions specified under the Act and applicable rules.

Disclosures and details of terms and conditions of the appointment of Mr. Krishna Kumar as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are as under:



Name of the Director	Mr. Krishna Kumar Sukumaran Nair
Designation and Category of Director	Additional Director (Non-Executive Non-Independent)
Director Identification Number (DIN)	11673376 (Date of allotment of DIN - 20 th April 2026)
Nationality	Indian
Date of Birth/Age	10 th May 1966/59 years
Date of first appointment on the Board	Effective 23 rd June 2026
Tenure with the Company (as on date of this Notice)	NA
Brief Resume including qualification and experience, expertise in specific functional areas, skills and capabilities	As stated in the explanatory statement
Directorships held in companies (excluding Foreign Companies) as on date of this Notice along with chairpersonship/membership on the Committees of the Board of Directors	None
Listed entities from which the Director has resigned in the past three years	NA
Number of Equity Shares held in the Company by himself or on beneficial basis for any other person	Nil
Number of meetings of the Board attended as Director since his appointment	NA (His appointment would be effective 23 rd June 2026)
Terms and Conditions of appointment, details of remuneration sought to be paid and the last drawn remuneration (including sitting fees and commission) from the Company	Mr. Krishna Kumar has been appointed as a Non-Executive Director (Non-Independent) on the Board of the Company with effect from 23 rd June 2026, liable to retire by rotation. He will be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act, re-imbursement for expenses incurred in connection with attending Board/Committee meetings, remuneration including commission broadly aligned/ as paid/payable to Non-Executive Directors of the Company, as determined for each year by the NRC/Board, within the limits approved/may be approved by the Members of the Company from time to time, and as permitted by law. Sitting fees will be paid to Mr. Krishna Kumar and Commission will be paid to LIC as per communication from LIC.

LIC was paid commission of ₹ 39 Lakh for FY2025, in consideration of Mr. Ghai's services on the Board of the Company.

The members of the Company have approved the payment of remuneration to the Non-Executive Directors by way of commission, as the Board of Directors may from time to time determine, up to one per cent of the net profits of the Company in any financial year as computed in the manner provided in section 198 of the Act.

Mr. Krishna Kumar would not be entitled for grant of any stock options/RsUs of the Company.

Relationship with other Directors/Key Managerial Personnel ("KMP")/Manager of the Company None

Inspection and interest:

All relevant documents and papers relating to item no. 5 and referred to in this Notice shall be available for electronic inspection without any fee by the Members, as provided in Note No. 16 of the Notes to this Notice.

The Company affirms that the composition of the Board post appointment of Mr. Krishna Kumar, if recommended and approved would continue to be in compliance with the requirements of Regulation 17 of the SEBI Listing Regulations and the Companies Act, 2013.

Save and except Mr. Krishna Kumar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel(s) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of this Notice.

Board rationale & recommendation:

Mr. Krishna Kumar brings extensive knowledge and expertise in business, finance, insurance, risk oversight, technology and innovation, governance and regulatory compliance, and consumer insights, aligning with the core skills identified by the Board. His experience in the Insurance services industry at leadership positions further strengthens his suitability for the role.

The NRC comprising more than two-thirds Independent Directors have evaluated, discussed, and reviewed

his candidature. The NRC have recommended his appointment on the Board of the Company. Accordingly, requirement of deposit of one lakh rupees in terms with section 160(1) of the Act, was not applicable for him.

The Board is of the view that the appointment of Mr. Krishna Kumar on the Board of the Company will add value to the Board deliberations and the Company.

The Board recommends the Ordinary Resolution set out at Item No. 5 of this Notice for approval of the Members of the Company.

Item No. 6

Approval for Material Related Party Transactions between the Company and Life Insurance Corporation of India, shareholder of the Company

As per Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, prior approval of the shareholders is required for Material Related Party Transactions exceeding the threshold prescribed under Schedule XII of the Listing Regulations. Accordingly, the Company is required to obtain prior approval of Members if aggregate value of proposed transaction(s) with a Related Party in a financial year exceeds the prescribed threshold, which is ₹ 2050 crore. Prior approval is required even if the transaction(s) are in the ordinary course of business and at arm's length basis.

LIC and its classification as a Related Party:

Life Insurance Corporation of India ("LIC"), established in 1956, is India's largest life insurer and a leading financial institution, and holds a dominant market share in life insurance and related financial services in India. In addition to its core insurance business, LIC actively participates in debt market by investing in bonds, debentures, commercial papers and financial instruments, making it a significant lender of financial companies (NBFCs) like ours.

As per proviso (b)(ii) to Regulation 2(1)(zb) of Listing Regulations, a "related party" includes any person or any entity holding equity shares of 10% or more, in the listed entity either directly or on beneficial interest basis at any time during the immediate preceding financial year.

LIC holds investments across several companies and has been a shareholder of the Company for over a decade. During the first week of June 2024, LIC's shareholding in Mahindra & Mahindra Financial Services Limited ("the Company"/"MMFSL") exceeded 10% of Company's paid-up equity share capital. Accordingly, LIC has been classified as a related party to the Company effective 1st April 2025 as per Regulation 2(1)(zb) of the Listing Regulations. LIC holds 14,26,25,702 equity shares, constituting 10.26% of the paid-up share capital of the Company as on 31st March 2026.

Background:

MMFSL being an Upper Layer NBFC, in order to cater to its funding requirements enters/may enter into transactions with eligible investors including Banks, Financial Institutions, Mutual Funds etc. for availing funded and non-funded facilities including by way of issuance of non-convertible securities/instruments via public issue/private placement/other forms of borrowings, and these transactions are conducted/would be conducted in the ordinary course of business and on arm's length basis. These transactions are essential to MMFSL's operational and financial management, growth and in the interest of the Company.

As on 31st March 2026, the Company had outstanding borrowings in the form of non-convertible securities/instruments ("NCS") aggregating to ₹ 25,741.83 crore issued to several investors via issue of private placement and public issues of NCS. In addition to its core insurance business, LIC actively participates in debt market by investing in bonds, debentures, commercial papers and financial instruments, making it a significant lender for financial companies (NBFCs) like ours. The Company's outstanding borrowings includes

non-convertible securities amounting to ₹ 4,000 crore (basis face value) issued to LIC, in normal course of business.

Amongst the transactions that MMFSL enters into with its related parties, the estimated value of the contract(s)/arrangement(s)/agreement(s)/transaction(s) of the Company with LIC, may exceed ₹ 2050 Crore, the prescribed threshold of Material Related Party Transaction.

Proposal:

Pursuant to Regulation 23(4) of the Listing Regulations, and the Company's Policy on Materiality of and Dealing with Related Party Transactions, approval of the Members is being sought to enter into material related party transactions with LIC such that the aggregate value of the Transactions (as per details given in table below) does not exceed the limit of ₹ 5,000 crore, for a period commencing from the date of 36th Annual General Meeting ("AGM") up to the date of 37th AGM of the Company to be held in the year 2027.

Regulatory Review and Approval Process:

The Company has in place a robust process for approval of Related Party Transactions. In compliance with Listing Regulations, all the Related Party Transactions are being approved only by those members of the Audit Committee, who are Independent Directors.

Necessary details for the Related Party Transactions along with the justification were provided to the Audit Committee in terms of the Company's Policy on Materiality of and Dealing with Related Party Transactions and as required under SEBI Master Circular no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 11th July 2023 (as updated) ("SEBI Master Circular on LODR") including "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards").

The Related Party Transactions placed for Members' approval shall also be reviewed/monitored on quarterly basis by the Audit Committee as per Regulation 23 of the Listing Regulations and section 177 of the Companies Act, 2013 ("the Act") and shall remain within the proposed limits being placed before the Members. Any subsequent material modifications, if any, in the proposed transactions, as defined by the Audit Committee as a part of the Company's Policy on Materiality of and Dealing with Related Party Transactions, shall be placed before the Members for approval, in terms of Regulation 23(4) of the Listing Regulations.

The details of transactions as required under the Act, Regulation 23(4) of the Listing Regulations read with SEBI Master Circular on LODR and RPT Industry Standards are set forth below:

Material Related Party Transaction(s) between the Company and LIC:

Sr. No.	Particulars	Disclosure												
A1	Basic details of the related party ("RP") [As per Part A(1) of RPT Industry Standards]													
1.	Name of the RP	Life Insurance Corporation of India Limited ("LIC") and Related Party ("RP")												
2.	Country of incorporation of the RP	India												
3.	Nature of business of the RP	Insurance Business												
A2	Relationship and ownership of the RP [As per Part A(2) of RPT Industry Standards]													
4.	Nature of relationship of the Company with the RP, including nature of its concern or interest (Financial or otherwise) and the following:	LIC is a shareholder of the Company holding more than 10% of the Company's paid-up equity share capital and thus classified as a related party of the Company.												
	Shareholding of the Company, whether direct or indirect, in the RP.	The Company does not hold any shares in LIC as on 31 st March 2026.												
	Where the RP is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the Company.	NA												
	Shareholding of the RP, whether direct or indirect, in the Company.	As of 31 st March 2026, LIC held 10.26% of the Company's equity paid-up share capital.												
A3	Details of previous transactions with the RP [As per Part A(3) of RPT Industry Standards]													
5.	Total amount of all the transactions undertaken by the Company with the RP	(₹ In Crore)												
	<table><tr><th>Nature of transactions</th><th>FY 25-26</th><th>FY 24-25</th><th>FY 23-24</th></tr><tr><td>Interest paid on non-convertible securities (Borrowings aggregating to ₹ 4,000 crore was availed from LIC by issue of non-convertible debentures on private placement basis in FY2020 and FY2023, which is due to mature in FY2030 and FY2033, respectively).</td><td>329.60*</td><td>329.60</td><td>329.60</td></tr><tr><td>Payment towards Gratuity, other employee benefit funds contribution, and commission to LIC towards services rendered by Director representing LIC on the Board of Company.</td><td>1.92</td><td>0.69</td><td>0.90</td></tr></table>	Nature of transactions	FY 25-26	FY 24-25	FY 23-24	Interest paid on non-convertible securities (Borrowings aggregating to ₹ 4,000 crore was availed from LIC by issue of non-convertible debentures on private placement basis in FY2020 and FY2023, which is due to mature in FY2030 and FY2033, respectively).	329.60*	329.60	329.60	Payment towards Gratuity, other employee benefit funds contribution, and commission to LIC towards services rendered by Director representing LIC on the Board of Company.	1.92	0.69	0.90	
Nature of transactions	FY 25-26	FY 24-25	FY 23-24											
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Payment towards Gratuity, other employee benefit funds contribution, and commission to LIC towards services rendered by Director representing LIC on the Board of Company.	1.92	0.69	0.90											
	<i>*The Members by way of an Ordinary Resolution passed at the 35th AGM of the Company held on 22nd July 2025 had approved entering into material related party transactions by the Company with LIC such that the aggregate value of the Transactions does not exceed the limit of ₹ 5,000 crore, for a period commencing from the 35th Annual General Meeting ("AGM") up to the date of 36th AGM of the Company to be held in the year 2026. Details of actual transaction are given above.</i>													
	<i>Note: Company's borrowings in FY2026 via non-convertible debentures was muted due to falling interest rate scenario.</i>													

Sr. No.	Particulars	Disclosure								
6.	Total amount of all the transactions undertaken by the Company with the RP in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Data up to FY2026 is given above								
7.	Any default, if any, made by the RP concerning any obligation undertaken by it under a transaction or arrangement entered into with the Company during the last financial year (FY2026)	None								
A4	Amount of the proposed transaction(s) [As per Part A(4) of RPT Industry Standards]									
8.	Amount of the proposed transactions being placed for approval of the shareholders	Not exceeding ₹ 5,000 crore (Rupees Five Thousand crore only), for a period commencing from the date of 36 th Annual General Meeting ("AGM") up to the date of 37 th AGM of the Company to be held in the year 2027.								
		(₹ in Crore)								
		<table><tr><th>Particulars of transactions</th><th>Amount</th></tr><tr><td>Fund based and non-fund-based support including issuance of equity/debt/commercial paper/Inter-corporate deposits/non-convertible instruments and interest/charges thereon, and securitization transaction(s).</td><td>4,430</td></tr><tr><td>Availing services or obligations to meet its objectives/requirements (Payment towards Gratuity, General Term Insurance, Employee Deposit Linked Insurance, or any other payment for obtaining any other insurance/employee benefits, other employee benefit fund contribution, other services, commission to LIC towards Director(s) representing LIC on the Board of the Company)</td><td>*570</td></tr><tr><td>Total</td><td>5,000</td></tr></table>	Particulars of transactions	Amount	Fund based and non-fund-based support including issuance of equity/debt/commercial paper/Inter-corporate deposits/non-convertible instruments and interest/charges thereon, and securitization transaction(s).	4,430	Availing services or obligations to meet its objectives/requirements (Payment towards Gratuity, General Term Insurance, Employee Deposit Linked Insurance, or any other payment for obtaining any other insurance/employee benefits, other employee benefit fund contribution, other services, commission to LIC towards Director(s) representing LIC on the Board of the Company)	*570	Total	5,000
Particulars of transactions	Amount									
Fund based and non-fund-based support including issuance of equity/debt/commercial paper/Inter-corporate deposits/non-convertible instruments and interest/charges thereon, and securitization transaction(s).	4,430									
Availing services or obligations to meet its objectives/requirements (Payment towards Gratuity, General Term Insurance, Employee Deposit Linked Insurance, or any other payment for obtaining any other insurance/employee benefits, other employee benefit fund contribution, other services, commission to LIC towards Director(s) representing LIC on the Board of the Company)	*570									
Total	5,000									
		<i>*Includes commission to LIC towards Director(s) representing LIC on the Board of the Company of up to Rs. 1 crore.</i>								
9.	Whether the proposed transactions taken together with the transactions undertaken with the RP during the current financial year (FY2027) would render the proposed transaction a material RPT?	Yes								
10.	Value of the proposed transactions as a percentage of the Company's annual consolidated turnover for the immediately preceding financial year (FY2026)	₹ 5,000 crore constitutes 23.80% of Company's annual audited consolidated turnover* as on 31 st March 2026. <i>*The Company's annual consolidated turnover (Revenue from Operations) for FY2026 is ₹ 21,005.37 crore.</i>								
11.	Value of the proposed transactions as a percentage of the RPs annual consolidated turnover for the immediately preceding financial year (FY2025)	₹ 5,000 crore constitutes ~0.56% of LIC's annual audited consolidated turnover as on 31 st March 2025.								
	(latest available audited financial statements as on date of this Notice)									

Sr. No.	Particulars	Disclosure								
12.	Financial performance of the RP for the immediately preceding financial year (FY2025) on standalone basis (latest available audited financial statements as on date of this Notice)	(₹ In Crore) <table><tr><th>Particulars</th><th>FY 2024-25</th></tr><tr><td>Turnover#</td><td>8,80,771.55</td></tr><tr><td>Profit after Tax</td><td>48,151.17</td></tr><tr><td>Net Worth*</td><td>1,26,420.76</td></tr></table> <i>#Turnover refers to Net premium income and Income from Investments (Net)</i> <i>*Net worth refers to Share Capital + Reserves & Surplus</i>	Particulars	FY 2024-25	Turnover#	8,80,771.55	Profit after Tax	48,151.17	Net Worth*	1,26,420.76
Particulars	FY 2024-25									
Turnover#	8,80,771.55									
Profit after Tax	48,151.17									
Net Worth*	1,26,420.76									
A5	Basic details of the proposed transaction [As per Part A(5) of RPT Industry Standards]									
13.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	· Availing borrowings, repayment and payment of interest/charges thereon, and securitization transaction; · Payment towards Gratuity, General Term Insurance, Employee Deposit Linked Insurance, other services; · Commission to LIC towards Director(s) representing LIC on Board of the Company.								
14.	Details of each type of the proposed transaction	Please refer the details given in point no. A(4) 8.								
15.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	The proposed borrowing (including both fund-based and non-fund-based facilities), if availed, shall be for a tenure of up to 10 years and shall be subject to covenants in line with prevailing market practices. The tenure for remaining transactions shall depend on Company's requirements.								
16.	Whether omnibus approval is being sought?	Yes								
17.	Value of the proposed transaction during a financial year (FY2027) If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	Not exceeding ₹ 5,000 crore (Rupees Five Thousand crore only) The proposed transactions (fund and non-fund based) are mainly driven by market dynamics like available liquidity, market rates, requirement of funds, etc and will be determined by changing market conditions and finalised at a point in time based on these factors.								
18.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	The Company is a leading Upper Layer NBFC which provides loans including vehicle financing in the normal course of business. For this purpose and to meet its funding requirements, the Company borrows/raises funds through various sources including via issue of non-convertible securities ("NCS"), obtaining term loans, bank loans, cash credit, fixed deposits, commercial paper, inter-corporate deposits, and securitization transactions etc. The proposed transactions would be in interest of the Company, as the Company would be able to avail large amount of funds from LIC at competitive market rates, for a longer tenure. The proposition is enabling in nature for availing further funds from LIC (including issue of NCS to LIC), if required, and enable provision of working capital for disbursement and augmenting growth of the Company, in normal course of operations.								

Sr. No.	Particulars	Disclosure
		The transactions related to availing/rendering services or obligations to make payment towards gratuity, general term insurance, employee deposit linked insurance and payment of commission to LIC towards Director representing LIC on Board of the Company are in furtherance of administrative and operational objectives of the Company. The proposed transactions shall not, in any manner, be detrimental to the interest of minority shareholders and would be in the best interest of the Company and its Members. The Audit Committee has reviewed the joint certificate provided by the Managing Director & CEO and Chief Financial Officer of the Company stating that the terms of RPT proposed to be entered into is in the interest of the Company.
19.	Details of the promoter(s)/director(s)/ key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. A. Name of the Director/KMP B. Shareholding of the director/KMP, whether direct or indirect, in the RP	None of the Promoter, key managerial personnel or Directors of the Company [including *Director(s) representing LIC on Board of the Company] have any interest (direct or indirect) in the proposed transactions in terms of section 184 of the Companies Act, 2013. <i>*Mr. Ashwani Ghai represents LIC on the Board of the Company (up to 22nd June 2026), who would be succeeded by Mr. Krishna Kumar Sukumaran Nair on the Company's Board with effect from 23rd June 2026.</i>
20.	Web-link and QR Code, for accessing the valuation report or other reports of external party, if any, considered by Audit Committee while approving the said RPT	Valuation report of external party is not applicable for the proposed transactions as the pricing would be market driven in case of fund raise/ borrowings, and as mutually agreed/ approved for other transactions.
21.	Basis for determination of price, criteria for selection and other material terms and conditions of RPT.	The existing/proposed transactions are/would be purely operational/integral part of the operations of the Company and are/will be entered in the ordinary course of business, with terms and conditions that are/will be generally prevalent in the industry segments that the Company operates in. The fund-based and non-fund based support may be availed for short term/long term basis and may be availed in tranches, from time to time. The arms-length determination for the proposed fund-based and non-fund based support would be based on terms prevalent in market, as applicable for transactions comprising similar terms including tenure, amount borrowed, applicable interest rate etc. as applicable for similar rated instruments. The arm's length determination for the transactions involving availing of Insurance and/or related services would be based on bids/quotations received from other insurers/service providers, terms offered/prevalent in market, serviceability and other related factors. Commission to Director(s) representing LIC on the Board of the Company will be as payable to other Non-Executive Directors on the Board, as determined by the Nomination and Remuneration Committee of the Board.
22.	Other information relevant for decision making	All relevant information form part of this disclosure.

Sr. No.	Particulars	Disclosure
B5	Borrowings proposed to be availed by the Company [As per Part B(5) of RPT Industry Standards]	
23.	Material covenants of the proposed transaction	The proposed borrowing (fund based and non-fund based support), if availed, will be for a period of up to 10 years and will have covenants as per normal market transactions. Additionally, covenants may include increase in interest rate with rating downgrade, if any, Promoter & Holding Company retaining majority shareholding and security cover for NCD upto 1.25 times, being standard covenants for such transactions.
24.	Interest rate (in terms of numerical value or base rate and applicable spread)	Borrowings would be availed by way of issue of non-convertible instruments, commercial paper at prevailing market rate, considering the nature and tenor of loan/borrowing as mutually agreed between the parties.
25.	Cost of borrowing	To be determined at the time of availing borrowings, based on prevailing market conditions.
26.	Maturity/due date	As mutually agreed between the parties.
27.	Repayment schedule & terms	
28.	Whether secured or unsecured	Borrowings availed by way of issuance of non-convertible debt instruments or commercial paper may be secured/unsecured, as applicable.
29.	If secured, the nature of security & security coverage ratio	Non-convertible Debentures shall be secured by way of exclusive charge in favour of the Debenture Trustee on present and/or future receivables under Loan contracts/Hire Purchase/Lease, owned Assets and Book debts to the extent of 1.25 times of Debentures outstanding.
30.	The purpose for which the funds will be utilized by the Company	To enable provision of working capital for disbursement and augmenting growth of the Company, in normal course of operations.
C4	Borrowings proposed to be availed by the Company which is a material RPT [As per Part C(4) of RPT Industry Standards]	
31.	Debt to Equity Ratio and Debt Service Coverage Ratio of the Company based on last audited financial statements (FY2026)	NA as the Company is an NBFC
	a. Before transaction	
	b. After transaction	
Para 5	Minimum Information to be provided to the shareholders	
	All information covered in table above.	

All RPTs entered/to be entered into with LIC are/would be within the purview of the Company's Memorandum of Association and Articles of Association, in furtherance of business objectives of the Company, on arms' length basis and on terms and conditions as similarly placed with unrelated parties considering the nature of RPT.

Corporate actions including payment of dividend/bonus/right issue/buyback etc., if any, by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding, are not considered as a related party transaction as per regulation 2(1)(zc) of Listing Regulations.

None of the disclosure requirements have been redacted from this explanatory statement. The aforementioned details provide all the necessary information to the shareholders for informed decision-making.

The Members may please note that in terms of provisions of the Listing Regulations, none of the related party(ies) (whether such related party(ies) are a party to the proposed transactions or not), shall vote to approve the Ordinary Resolution at Item No. 6 of the Notice. Thus, the said proposal is being placed before the non-related party shareholders for their approval.

Disclosure:

Except Mahindra & Mahindra Limited, Promoter of the Company, none of the promoter group entities hold any shares in the Company as on date.

None of the Promoter, Directors or Key Managerial Personnel of the Company have any shareholding interest of 2% or more of the paid-up share capital of LIC.

None of the Directors or Key Managerial Personnel of the Company hold any directorship in LIC.

Board rationale & recommendation:

Basis the approval of Audit Committee, the Board of Directors believe that proposed transactions with LIC would be necessary for meeting Company's funding requirements and recommends the resolution for approval by the Shareholders.

The Board recommends passing of the Ordinary Resolution as set out at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Details of borrowings/liabilities:

During FY2026, the Assets Under Management ("AUM") of the Company stood at ₹ 1,34,096.05 crore, depicting a growth of ~12.05% over FY2025. As on 31st March 2026, the Company had outstanding borrowings/liabilities of Rs. 1,20,334.86 crore against outstanding borrowings/liabilities of Rs. 1,12,873.47 crore as on 31st March 2025, indicating an increase of ~6.61%. Details of outstanding amounts as on 31st March 2026 is as under:

Particulars	Fixed Deposits	Bank Loans (TL/OD/CC/WCDL)	Non-Convertible Securities (Privately placed & Public NCD)	Subordinate Debt (Privately placed & Public NCD)	Commercial Paper	External Commercial Borrowing	Securitisation and TREPS	Total
Amount (₹ in crore)	14,196.03	55,718.10	20,382.09	5,359.74	6,156.97	5,722.28	12,799.65	1,20,334.86
% to outstanding borrowings	11.80	46.30	16.94	4.45	5.12	4.75	10.64	100.00

Figures are as per reported Ind AS standalone financial statements.

Item No. 7

Increase in the borrowing limits of the Company

Background:

As per the provisions of section 180(1)(c) of the Companies Act, 2013, as amended ("the Act") the Board of Directors of the Company can exercise the power to borrow money(ies) in excess of aggregate of its paid-up share capital, free reserves and securities premium (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), only with the consent of the Company by a Special Resolution.

The Company is a Non-Banking Financial Company and is primarily engaged in the business of vehicle financing. For the purpose of onward lending to its customers and meeting its funding requirements, it is required to raise funds/borrow monies through various sources including issue of non-convertible debentures ("NCDs"), bank borrowing, External Commercial Borrowings, availing term loans, cash credit, fixed deposits, availing of inter-corporate deposits, any financial arrangement/structured finance, etc. in the normal course of business.

The Members by way of a Special Resolution passed at the 35th Annual General Meeting of the Company held on 22nd July 2025 had authorised the Board of Directors to borrow monies up to ₹ 1,50,000 crore for the purpose of business of the Company. Further, the Members by way of Special Resolution passed at the 33rd Annual General Meeting of the Company held on 28th July 2023 had also authorised the Board under section 180(1)(a) of the Act to create security in favour of the lenders, financial institutions, banks, debenture trustee(s) in connection with and up to the limits approved under section 180(1)(c).

At consolidated level, MMFSL's aggregate borrowings/liabilities stood at ₹ 1,28,370.44 crore as on 31st March 2026.

The Company's capital adequacy ratio as on 31st March 2026 is healthy at 18.84%, which is well above the minimum requirement of 15% Capital to Risk-weighted Assets Ratio (CRAR) as stipulated by RBI's BASEL III Capital Regulations, and the Company will continue to comply with the same and other applicable statutory requirements.

The Company's Debt Equity ratio as on 31st March 2026 is 4.86:1. The average cost of debt (Interest cost/Average Assets) of the Company for FY 2026 was 5.9%. The Company has not defaulted on its debt obligations in FY 2026.

As on 31st March 2026, CRISIL Ratings Limited has assigned the rating 'CRISIL AAA/Stable' to the Company's Fixed Deposit Programme, long-term debt instruments, subordinated debt and long-term bank facilities, and 'CRISIL A1+' to commercial paper and short-term bank facilities. India Ratings & Research Private Limited has similarly rated the Company's commercial paper and short-term facilities at 'IND A1+' rating, and long-term debt instruments, subordinated debt, long-term bank facilities, fixed deposits and PP-MLD instruments at 'IND AAA/Stable'. CARE Ratings Limited has assigned 'CARE AAA/Stable' ratings to long-term debt instruments and subordinated debt programmes and Brickwork Ratings India Private Limited has assigned 'BWR AAA/Stable' rating to long-term subordinated debt programme. These ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations. There have been no revisions in any of these credit ratings during the year under review.

During the year ended 31st March 2026, the Company has not given any loans or advances in the nature of loans to its Directors or subsidiaries or associate or to firms/companies in which Directors are interested.

Proposal with rationale:

In view of the Company's growth and funding needs, it is considered prudent to enhance the borrowing limits. The increase will provide necessary financial flexibility to meet business expansion and liquidity requirements on timely basis. It will also enable the Company to effectively maintain robust Asset liability Management.

The funds raised through borrowings, would be disbursed by the Company for onward lending/giving loans including financing the Mahindra range of

vehicles/tractors, financing of other products such as commercial vehicles, passenger vehicles, pre-owned vehicles etc. of other automobile manufacturers, for the purposes of invoice discounting, SME Financing, making personal loans, financing consumer durables etc. and meeting other funding needs of the Company.

Accordingly, the approval of the Members is being sought for increasing the limits of borrowing as set out at Item No. 7 of this Notice.

Interest:

Save and except to the extent of their shareholding, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 7 of this Notice.

Board rationale & recommendation:

The Board of Directors of the Company consider that the increase in mobilisation of funds is necessary for the Company's growing business and for maintaining financial efficiency.

The Board recommends passing of the Special Resolution as set out at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

By Order of the Board

Brijbala Batwal
Company Secretary
FCS No.:5220

Place: Mumbai
Date: 24th April 2026

Registered Office: Gateway Building,
Apollo Bunder, Mumbai - 400 001.

Corporate Office: Mahindra Towers, 'A' Wing,
3rd Floor, Dr. G. M. Bhosale Marg, Worli,
Mumbai - 400 018.
Tel: 022 6652 6000

Head Office & Correspondence address:
Amiti Building, Piramal Agastya Corporate Park,
L.B.S. Main Road, Kamani Junction,
Kurla (West), Mumbai - 400 070.
Tel: 022 6652 3500

CIN: L65921MH1991PLC059642
E-mail ID: companysecretary@mahindrafinance.com
Website: www.mahindrafinance.com

INFORMATION AT A GLANCE FOR 36TH ANNUAL GENERAL MEETING

Sr. No.	Particulars	Glance
1.	Day, Date and Time of Annual General Meeting ("AGM")	Tuesday, 21 st July 2026 at 3:30 p.m. (IST)
2.	Mode	Video Conference/Other Audio-Visual Means
3.	Participation through Video Conferencing ("VC")	Members can login from 3:00 p.m. (IST) onwards on the date of AGM at https://emeetings.kfintech.com
4.	Helpline Number for VC participation	Toll free No of KFin: 1800-309-4001
5.	Submission of Questions/Queries Before AGM	Questions/queries can be submitted on or before 5:00 p.m. (IST) on Friday, 17th July 2026 by following methods: - E-mail to: company.secretary@mahindrafinance.com mentioning name, DP ID and Client ID/folio number and mobile number, etc. - Members holding shares as on the cut-off date may also visit https://evoting.kfintech.com/ and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, E-mail ID and mobile number. The window shall be activated from commencement of the remote e-voting on Thursday, 16th July 2026 from 9:00 a.m. (IST) and shall be closed by 5:00 p.m. (IST) on Friday, 17th July 2026. - Members can also post their questions during AGM through the "Ask A Question" tab, which is available in the VC/OAVM Facility
6.	Speaker Registration Before AGM	Visit https://evoting.kfintech.com/ , and click on "Speaker Registration" or send an email from registered email ID along with DP ID and Client ID number/folio number and mobile number, to the Company's investor email ID: company.secretary@mahindrafinance.com during the period from Thursday, 16 th July 2026 (9:00 a.m. IST) up to Friday, 17 th July 2026 (5:00 p.m. IST).
7.	Transcript of AGM	Will be made available post AGM at https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports
8.	Dividend for FY2026 recommended by Board	₹ 7.50/- per equity share of the face value of ₹ 2/- each (i.e. 375%)
9.	Record date for Dividend Entitlement	Monday, 13 th July 2026
10.	Dividend payment date	After Tuesday, 21 st July 2026
11.	Information of tax on Dividend for FY2026	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders
12.	Cut-off date for e-voting	Monday, 13 th July 2026
13.	Remote e-voting start time and date	Thursday, 16 th July 2026 at 9:00 a.m. [IST]
14.	Remote e-voting end time and date	Monday, 20 th July 2026 at 5:00 p.m. [IST]
15.	Remote e-voting website of Kfin	https://evoting.kfintech.com
16.	Name, address and contact details of e-voting service Provider and Registrar and Transfer Agent	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Plot No. 31 & 32, Selenium Building, Tower B, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana - 500 032 Toll free No.: 1800-309-4001
17.	E-mail Registration & Contact Updation Process	Demat Shareholders: Contact your Depository Participant(s) Physical Shareholders: Contact KFin by sending duly filled and signed form ISR-1.



SHAPING THE NEXT LEAP

ROOTED IN RELATIONSHIPS,
REBOOTED BY TECHNOLOGY

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FY2026 Key Highlights

(On Standalone basis)

₹ 61,118 crore

Highest-ever annual disbursement
up 6% Y-o-Y ▲

₹ 1,34,096 crore

Gross Loan Book
up 12% Y-o-Y ▲

₹ 2,782 crore

Profit After Tax (PAT)*
up 19% Y-o-Y ▲

2.0%

Return on Assets (RoA)*
vs 1.9% in FY2025 ▲

7.1%

Net Interest Margin (NIMs)
vs 6.5% in FY2025 ▲

*after labour code and management overlays

Capital Management



Asset Quality

Stable Gross Stage 3 at 3.4%

GS2 + GS3 lowest in 8 years at 8.2%

Coverage ratio prudent at 58.6%

Credit cost stood at 1.7%

SHAPING THE NEXT LEAP

ROOTED IN RELATIONSHIPS, REBOOTED BY TECHNOLOGY

At Mahindra Finance, our journey has always been built on strong relationships, deep customer understanding and a commitment to enabling aspirations across Bharat. These enduring strengths have helped us earn trust, expand access to financial services and create meaningful impact in the lives of millions.

Across our businesses, we are integrating digital capabilities, intelligent systems and future-ready processes to create a more agile, responsive and connected organisation. This transformation is enhancing the way we serve customers, empowering our people and strengthening our ability to scale sustainably.

The theme of our Annual Report, Shaping the Next Leap, reflects this evolution. It is about building on a strong foundation while embracing new possibilities. It is about combining the power of human relationships with the potential of technology to create better experiences, faster decision capabilities and greater value for all stakeholders.

As we continue to evolve, our resolve remains unchanged: to empower aspirations, expand opportunities and contribute to the progress of individuals and businesses across the nation.

Disclaimer

Please note that certain statements in this report with regards to our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.



ABOUT THE REPORT

Adherence to reporting guidelines

FY2026 Integrated Annual Report of Mahindra & Mahindra Financial Services Limited ('MMFSL'/'Mahindra Finance') adheres to the internationally recognized Integrated Reporting framework and provides an evaluation of how it generates long-term value for our stakeholders. It covers all the key aspects of functioning that lead to value creation, our performance, governance, material risks and opportunities, strategy, and future prospects.

Scope of Reporting

Reporting Period

This Report covers the period from April 1, 2025 to March 31, 2026.

Reporting Boundary

The Report showcases the comprehensive operations of Mahindra Finance and includes relevant insights pertaining to its subsidiary companies, where applicable. During the reporting year, the Company operated through 1,348 offices/branches across 27 States and 7 Union Territories in India. Our strong presence is an indication of our commitment to providing pan-India coverage and service excellence across all our operations.

Financial and Non-Financial Reporting

We have moved beyond conventional financial reporting to explore non-financial performance indicators, opportunities, risks, and outcomes linked to our key stakeholders. These stakeholders play a pivotal role in shaping our value creation, underscoring the importance of their inclusion in our analysis.

Materiality

This Report offers a comprehensive overview of all material aspects of our business. It is designed to address the key interests of our stakeholders, providing insights into our Company's performance, prospects, and commitment to creating sustainable, shared value. Every piece of information in this report is firmly grounded in the economic, social, and environmental context of our operations. Further details on the materiality assessment process and the key material topics identified are presented on page no. 80 under the "Sustainability Roadmap" section of this Integrated Annual Report.

Our Capitals

As we aspire to be a future-ready organization, driving value in the realm of digital transformation, our success hinges on the effective management of different forms of capital. These include the diverse types of capital at our disposal (inputs), how efficiently we utilize them (value-enhancing activities), our impact on them, and the value we deliver (outputs and outcomes), all of which are interconnected.



Targeted Audience

This Report is crafted to address the critical information required by our long-term investors, including equity shareholders and prospective investors. It also encapsulates our value creation strategy for other vital stakeholders such as employees, partners, suppliers, customers, regulators, and society at large. Through this Integrated Report, we aim to provide a comprehensive view of our commitment to these stakeholders.

Report Alignment

This Report aligns with the principles and disclosure guidelines applicable to our Company, including but not restricted to:

- Global Reporting Initiative (GRI)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations
- Six capitals under International Financial Reporting Standards (IFRS)
- The Companies Act, 2013 (and the rules made thereunder)
- United Nations Sustainable Development Goals (UN SDGs)
- Indian Accounting Standards and International Financial Reporting Standards
- United Nations Global Compact (UNG) Principles
- National Guidelines on Responsible Business Conduct (NGRBC)
- Directions and circulars issued by the Reserve Bank of India
- IRDAI Regulations

Material Topics and SDG Alignment

Strategic Mapping for Long-term Value Creation is guided by the integration of material topics and the UN Sustainable Development Goals, as defined below



For more details, kindly refer to page no. 85 of the "UN SDGs Mapping" section of this Integrated Annual Report.

Report Assurance

The non-financial data relating to value creation for various stakeholders, as presented in the Corporate Overview section of this Annual Report, has been assured by SGS India Private Limited, a third-party assurance provider. The Independent Limited Assurance Statement on the Integrated Report is provided on page no. 91 of this Report.



You can view the Integrated Report by accessing the QR Code



About the Cover:
Shaping the Next Leap
Rooted in Relationships.
Rebooted by Technology.
Report for 2025-26

CHAIRMAN'S MESSAGE

Dear Stakeholders,

We are living through a period where change is no longer episodic; it is constant. Geopolitical shifts, technological disruption, evolving customer expectations, and changing patterns of capital are reshaping the global landscape in ways that are often difficult to predict.

In such an environment, enduring institutions are distinguished not by their ability to react to every change, but by the strength of their foundations, the clarity of their purpose, and the discipline with which they navigate uncertainty.

India enters this phase with confidence and conviction. The country's economic journey continues to be supported by powerful structural drivers, viz. its demographic strength, expanding formal economy, investments in infrastructure, and the transformative impact of digital public platforms.

Together, these forces are creating new pathways for inclusion, entrepreneurship, and prosperity. For financial institutions, this represents both a significant opportunity and an important responsibility, to widen access to financial services while maintaining the highest standards of prudence, governance, and trust. Sustainable growth, after all, is built not on ambition alone, but on the ability to balance aspiration with responsibility.

Against this backdrop, FY2026 marked another year of significant progress for Mahindra Finance. Over the past several years, we have remained focused on strengthening the core of our institution which is enhancing governance, reinforcing risk management practices, improving operational discipline, and building resilience across the franchise. The outcomes of these efforts are visible in our performance.

Assets under management grew to ₹ 1.34 lakh crore, Gross Stage 3 improved to approximately 3.4%, Return on Assets increased to around 2.0%, and Net Profit was up 19% over the prior year. More importantly, these results reflect the growing strength and stability of the organisation. We view them not as a destination, but as milestones in our continuing journey to build a high-quality, future-ready financial institution capable of creating long-term value for all stakeholders.

From stability to responsible growth:

As we look ahead, we are entering a more deliberate phase of growth built on the foundations reinforced in recent years. Our priority remains to strengthen our leadership in vehicle financing while gradually building a well-diversified franchise that stays resilient across cycles. We aim to deepen our position as a trusted financial partner to our core customer segments by addressing a broader set of their needs within clearly defined institutional guardrails.

This reflects continuity of purpose rather than a shift in direction. Clarity in what we choose not to do is as important as the opportunities we pursue. Over time, we have built a strong presence across our markets. The next phase is about unlocking greater value from this franchise through deeper customer relationships, a more balanced portfolio mix, and improved productivity. Execution discipline will be central to this phase.

Institution building: governance, controls, and talent:

In financial services, trust is foundational and must be continuously earned. Over the past year, we have further strengthened Board oversight, risk governance, and the control environment. This commitment goes beyond compliance and is central to building a strong, enduring institution. Great institutions are built by consistently upholding high standards over time. As regulatory expectations continue to evolve, those that treat governance as a strategic priority will be better positioned to sustain long-term advantage. Equally, the strength of any institution lies in its people. We continue to invest in leadership depth, frontline capability, and a culture of accountability. This ensures that high standards are executed consistently across the organisation. Culture, ultimately, is how strategy gets delivered.

Technology that strengthens judgment:

Scale without discipline can create fragility. A key enabler for our next phase is the strengthened digital and operating backbone implemented under Project Udaan, now fully embedded across the organisation. We have also advanced the use of data and artificial intelligence with a clear focus on improving decision quality, enabling earlier risk identification, enhancing productivity, and strengthening service delivery. In a regulated business, innovation must remain accountable. We use technology to support human judgment and reinforce institutional discipline. Technology should enhance the quality of decisions, not only their speed.

Purpose and long-term value:

Mahindra Finance exists to expand economic participation. This purpose is reflected in millions of customer relationships built on fairness, transparency, and service. We believe long-term value is created not only through financial performance, but also through responsible conduct with our customers and communities, and by sustainable practices towards the environment.

Our CSR and ESG efforts remain focused on outcomes that matter including livelihoods, capability building, inclusion, and resilience. We know that enduring value is built when growth is inclusive and responsible.

Looking ahead:

The years ahead will favour institutions that combine growth with stability, agility with governance, and innovation with trust. Mahindra Finance is well-positioned to navigate this path. Our focus will remain on building a franchise that is resilient across cycles and relevant across generations.

I would like to thank our Board, our leadership team, and colleagues across the organisation, as well as our dealer partners, customers, and shareholders. Your trust is a responsibility we carry with humility and deep commitment.

Warm regards,

Dr. Anish Shah
Chairman

MANAGING DIRECTOR & CEO'S MESSAGE

Dear Stakeholders,

As I reflect on FY2026, I am grateful for the continued trust placed in Mahindra Finance and mindful of our responsibility to support the aspirations of our customers, shareholders, employees, partners, and communities.



FY2026 unfolded against a changing economic backdrop, calling for resilience and focused execution. We saw important shifts, from tax reforms like the GST 2.0 rollout and evolving consumption patterns to an unusually extended monsoon that moderated rural spending. A strong festive season supported auto and tractor demand, while the Reserve Bank's gradual easing stance helped improve liquidity and market sentiment over the course of the year.

Through these developments, Mahindra Finance remained focused on empowering our customers' aspirations. With prudent risk management and operational discipline, we continued to deliver value to stakeholders while strengthening the foundations of our business.

Progress Amidst Change:

FY2026 was a year of consistent progress built on the stability we established in the prior year. We leveraged the robust platform created by Project Udaan, our digital transformation initiative, now fully embedded and driving operational excellence and future-ready capabilities across the Company. This enabled us to decisively balance growth and quality.

In financial terms, we achieved Assets Under Management growth of 12%, reaching ₹ 1.34 lakh crore, on the back of ₹ 61,118 crore in disbursements. This expansion was both prudent and broad-based, spanning our core vehicle financing business, farm equipment loans, small business financing, and home loans. Notably, while reinforcing our traditional strengths in auto and tractor financing, we also selectively grew in adjacent segments to diversify our franchise and mitigate risk across cycles.

Financial Discipline and Strength:

Amid the year's volatility, we sharpened our focus on resilient growth which is reflected in stronger financial results. Our SME loan book expanded by 32% and our Mortgage portfolio (net of provisions) by 21%, confirming that our ongoing diversification strategy is starting to reap rewards in these key segments.

Through proactive risk measures, we improved asset quality, closing the year with Gross Stage 3 at 3.4% and consolidated stressed assets at an eight-year low of 8.2%. Strategic portfolio rebalancing and cost efficiency initiatives supported a higher Net Interest Margin of 7.1% (vs 6.5% last year) and improved profitability. Profit after tax rose by 19% year-on-year, underscoring the benefits of quality growth and disciplined execution.

We progressed well on the returns front with RoA at 2.0% even as we consciously kept credit costs range bound at ~1.7%. Importantly, our expansion into non-vehicle segments progressed, with non vehicle disbursements (excluding gensets and farm implements) reaching ₹ 7,552 crore, including mortgages, compared to ₹ 5,909 crore last year. We remain committed to responsible, quality-led growth, reinforcing our balance sheet with strong capitalisation (CAR ~18.8%) and ample liquidity (over ₹ 9,000 crore in surplus).

Digital Transformation and Innovation:

In FY2026, we continued to advance our technological capabilities, ensuring innovation is directed toward strengthening our judgment and service. The digital and data analytics platforms introduced under Project Udaan have elevated how we underwrite loans, monitor risks, and engage customers, enabling faster decisions while upholding credit discipline. We have scaled our in-house, company data IP & AI constructed capability Samur.AI which has driven our straight-through processing engine to accelerate loan approvals and optimise back-office workflows, achieving a substantial reduction in turnaround times. With digital channels (including mobile and assisted modes) now facilitating most of our collections and customer interactions, our phygital model has gained significant traction.

These improvements in technology and process efficiency helped keep our operations lean with operating expenses remaining around 2.7% of average assets and resulted in better customer experiences. As a prudent financial institution, we view technology as an enabler to enhance human insight, productivity, and governance; our innovations are always carried out with accountability and a focus on long-term stability.

Culture, Purpose, and Sustainability:

The strength of Mahindra Finance stems from our people and a value driven culture. Over the last year, we fostered this culture of ownership, customer-centricity, and high performance by investing in our team's development and by recognising and rewarding accountability. We believe that sustainable success arises from a combination of financial achievement and living our purpose, which is closely aligned with the Group's RISE philosophy.

At Mahindra Finance, our flagship financial literacy programme, Dhan Samvaad, continues to drive meaningful impact across rural communities, aligning with our goal of touching one million lives. We have also advanced our environmental and social commitments by extending support to various education programmes for underprivileged children and undertaking plantations in arid lands.

Poised for the Next Phase:

As we move forward, we do so with a clear strategy and cautious optimism. With a more diversified business and a fortified core, we will pursue calibrated growth, ensuring that our expansion is underpinned by rigorous risk management and margin discipline. We aim to maintain robust asset quality, deepen customer relationships in our core segments, and continue investing in technology and data to drive efficiencies and enhance our offerings. Above all, our goal of being the most trusted financial services partner for the Bharat customer by empowering their ambitions remains central to everything we do. By balancing ambition with responsibility, we will strive to sustain profitable growth that is resilient in the face of change and delivers long-term value to all stakeholders.

I would like to express my gratitude to our Board of Directors for their guidance, to our passionate employees for their unwavering dedication, to our partners and dealers for their support, and to our customers and shareholders for their continued faith in Mahindra Finance. Together, we are building a trusted, responsive, and future-ready organisation that will continue to contribute meaningfully to India's progress, year after year.

Regards,

Raul Rebello

Managing Director & CEO

GOVERNANCE

Winning With Integrity

At Mahindra Finance, governance is the foundation for responsible growth, customer trust, resilience, and long-term value creation for all stakeholders. Our governance philosophy is anchored in ethical conduct, accountability, transparency, regulatory discipline and stakeholder stewardship. It guides how we make decisions, manage risks, serve customers, engage with investors, protect stakeholder interests and strengthen the institution for the future.

Our governance framework supports disciplined execution of strategy, prudent risk management, responsible lending, customer protection, effective oversight and timely escalation. It enables the Board, Committees, management forums, control functions and business teams to work in alignment, ensuring that growth is pursued with purpose and integrity.

During FY2026, our focus remained on strengthening governance practices through effective Board oversight, structured management engagement, policy discipline, enhanced controls, cyber and fraud monitoring, ESG integration, investor responsiveness, and continuous familiarisation with emerging regulatory, technological, and sustainability priorities.

Strengthening Foundation for a Better Tomorrow

Core Pillars of Governance at MMFSL

Our governance approach is built on four core pillars that guide responsible decision-making and stakeholder trust.



Accountability

Ensuring that the Company's actions and decisions are accountable



Transparency

Providing accurate and timely information about the Company



Responsibility

Ensuring that the Company complies with all laws and regulations



Fairness

Treat stakeholders fairly, equally and guard against prejudice



Board & Committees

- Proficient, diverse, experienced and balanced Board with active management oversight
- Board governance supported through clearly articulated Terms of Reference and annual review of Board and Committee mandates
- 9 out of 12 Committee Chairpersons are Independent Directors
- Frequency of Board/Committee meetings is generally higher than statutory requirement, for enhanced reviews
- Periodic meeting of Board committee to discuss on ESG related matters
- Board familiarisation facilitated through induction programmes, management meetings, presentations at Board and Committee Meetings on macroeconomic environment, industry scenario, risk mitigation and ESG framework



Disclosures and Transparency

- Company reinforces its commitment to high standards of transparency and financial reporting. Recognised with the ICAI Silver Shield Award (Financial Services - NBFC category) for FY2024-25.
- Prompt and adequate dissemination of material information to stock exchanges, regulators, shareholders and other stakeholders
- Investor communication via quarterly earnings call, road shows, regular investor interactions, website disclosures and dedicated grievance redressal channels
- FAQs on investor services made accessible on the Company's website
- Investor Grievance Redressal Framework provides contact details of officials for raising and escalating complaints



Stakeholder Engagement

- Streamlined FD journey with enhanced digital access, periodic renewal reminders, and WhatsApp-based AI chatbot for seamless servicing
- Mahindra Finance Customer App evolved into an enterprise-scale digital platform across mobile and web, supporting loans, investments and servicing; now available in multiple Indian languages and driving customer engagement, collections and cross-sell
- Bi-monthly organisation-wide communications to strengthen awareness of the Whistle Blower Policy and reporting channels.
- Rolled out a comprehensive employee handbook covering policies, benefits, rewards, travel guidelines and grievance redressal.



Controls

- Institutionalised thematic testing, advanced fraud controls and data-driven risk management, supported by automation, benchmarking and enterprise-wide oversight mechanisms
- Strengthened underwriting discipline through ML-driven scorecards and segmentation, enhanced portfolio monitoring via advanced analytics and early warning systems, and improved collections effectiveness through AI-led prioritisation, digital tools and expanded customer engagement channels
- Adequate internal financial controls with reference to financial statements, deployed through the COSO framework
- Achieved a NIST Cybersecurity Framework (CSF) maturity score of 3.0 ("Defined & Implemented"), reflecting strong and well-aligned cybersecurity practices.
- Business Continuity Planning and Business Impact Analysis processes support operational resilience
- Internal Auditor reports directly to the Audit Committee, reinforcing independent assurance
- Quarterly meetings of the Special Committee of Board for Monitoring Frauds
- Malus and clawback provisions incorporated in the Remuneration Policy for KMPs, SMPs and other employees, applicable in cases such as fraud, breach of trust or misrepresentation



- Prevention of Insider Trading (PIT) framework supported through digital platforms, structured digital database maintenance, transaction monitoring, reporting and awareness initiatives, resulting into NIL violation by DPs during FY2026
- Annual Mandatory awareness modules/trainings continued across areas such as AML, KYC, Fair Practices Code, ORM, ABAC, Whistle Blower Policy, PIT, Code of Conduct and Cyber Security
- Policies are generally reviewed on an annual basis to ensure alignment with regulatory requirements and internal governance expectations



Best Corporate Secretarial Practices

- Silent period observed from the first day of the month after quarter end until announcement of results, during which interactions with investors/analysts/funds are restricted to protect unpublished price-sensitive information
- Quarterly secretarial audit undertaken to strengthen compliance discipline
- Executive summaries of agenda items provided to Board and Committee Members to enable sharper review and decision-making
- Action Taken Reports (ATRs) which capture key decisions, ownership and timelines are reviewed in subsequent Board and Committee meetings to ensure timely closure and effective oversight
- Proactive payouts to shareholders with updated bank details reducing unclaimed amounts and transfers to IEPF
- Separate meetings of Joint Statutory Auditors, CCO and Internal Auditor with the Audit Committee
- Secured Board Portal for sharing and archival of meeting documents for protection of unpublished price sensitive information



Sustainability & CSR

- CSR Committee reviews CSR, ESG priorities, implementation progress and sustainability-linked initiatives
- Voluntary third-party financial audits of CSR projects conducted to ensure transparency, accountability and efficient utilisation of funds
- Sustainability and CSR governance supported through structured policies, assurance processes and implementation oversight
- Continued focus on education, financial and digital literacy, women empowerment, livelihood, water conservation and environmental initiatives
- CSR grants and implementation partner governance supported through defined processes and documentation
- Continued participation in Dow Jones Sustainability Index (DJSI) with a score of 49 in CY2025, maintaining a position as one of the leaders in Diversified Financial Services in India



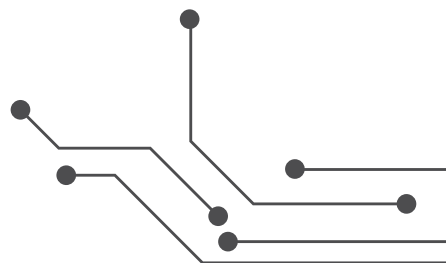
Policies

- Whistle Blower mechanism supported through an independent ethics helpline/reporting channel for employees, Directors and other stakeholders
- POSH framework is applicable to employees and contractual personnel, with gender-neutral coverage, awareness and time-bound investigation process
- The Company's RSU plan, including a dedicated RSU plan for subsidiaries, is fully performance-linked, with 100% vesting contingent on achievement of defined performance criteria, reinforcing pay-for-performance and alignment with shareholder value



Compliances

- Compliance Testing and Monitoring framework established to ensure in-depth verification of compliance with regulatory guidelines, frameworks and internal requirements
- Digitised system for monitoring of compliances
- SOPs maintained for critical processes to strengthen operational discipline and standardisation
- Independent third-party evaluation of the Arm's Length and Ordinary Course of Business methodology adopted for Related Party Transactions
- Implemented a circular management system for timely dissemination of RBI notifications to relevant stakeholders



BOARD OF DIRECTORS

(as on 31st March 2026)

The Board of Directors forms the foundation of our Company's governance framework, providing strategic guidance, protecting stakeholder interests, and promoting responsible value creation through the diverse expertise and thorough oversight.



Standing (Left to right)

Ms. Padmaja Chunduru Independent Director	Mr. Parag Rao Non-Executive Non-Independent Director	Dr. Anish Shah Non-Executive Non-Independent Chairman
Mr. Raul Rebello Managing Director & CEO	Mr. Amarjyoti Barua Non-Executive Non-Independent Director	Mr. Diwakar Gupta Independent Director

Sitting (Left to right)

Dr. Rebecca Nugent Independent Director	Mr. Ashwani Ghai Non-Executive Non-Independent Director	Mr. Vijay Kumar Sharma Independent Director	Mr. Milind Sarwate Independent Director

99%

Average Attendance Rate at Board Meetings in FY2026

3.5 years

Average tenure of Independent Directors as on 31st March 2026

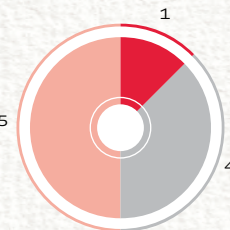
2

Independent Woman Directors

9 out of 12

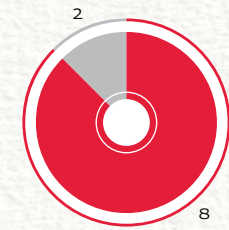
Committee Chairpersons are Independent Directors

Board Composition



- Managing Director & CEO
- Non-Executive Non-Independent Directors
- Independent Directors

Board Gender Diversity



- Male
- Female

STEERING COMMITTEE AND CS

(as on 31st March 2026)

The Steering Committee and senior leadership team serve as vital pillars of the governance framework, driving the execution of Board-approved priorities, ensuring regulatory compliance, enforcing policies, maintaining operational resilience, and facilitating cross-functional decision-making.



Standing (Left to right)

Mr. Anthony Heredia
Managing Director &
CEO, MMIMPL

Mr. Pradeep Kumar Agrawal
Chief Financial Officer - FSS

Mr. Mahesh Rajaraman
Chief Risk Officer

Mr. Mohit Kapoor
Group Chief Technology
Officer - M&M

Mr. Manish Sinha
Chief Human Resource
Officer - FSS

Mr. Raul Rebello
Managing Director & CEO

Mr. Sandeep Mandrekar
Chief Business Officer -
Wheels

Mr. Jaspreet Singh Chadha
Chief Business Officer -
Mortgages

Mr. Bhuwan Lodha
CEO, AI Division - M&M

Mr. Mod Narayan Singh
Chief Compliance Officer

Mr. Suresh Agarwal
Managing Director & CEO,
MIBL

Company Secretary
Ms. Brijbala Batwal

Sitting (Left to right)

Ms. Deepa Ranjeet
Chief Digital Officer - FSS

Mr. Parag Rao
Non-Executive Director &
Growth Leader - FSS

Ms. Ketaki Suklikar
Chief Legal Officer - FSS

Ms. Aarti Nihalani
Chief Operating Officer

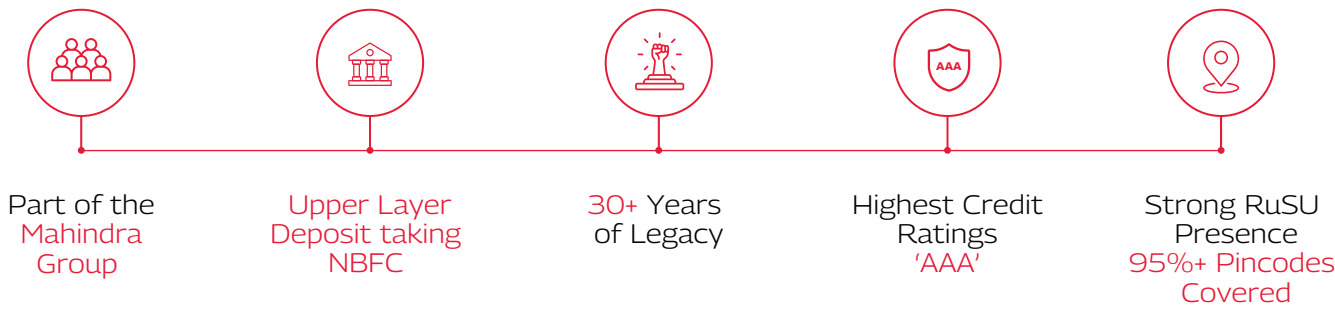
(M&M: Mahindra & Mahindra Limited, FSS: Financial Services Sector, MMIMPL: Mahindra Manulife Investment Management Private Limited, MIBL: Mahindra Insurance Brokers Limited)



Who We Are

WHO WE ARE

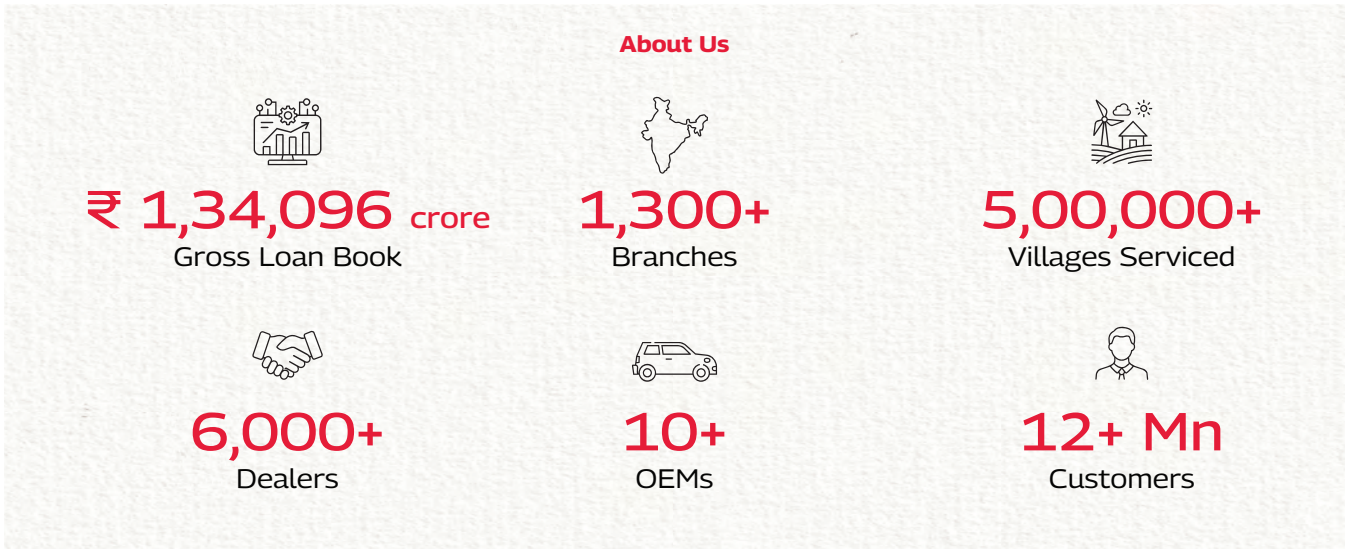
Built on a Strong Foundation, Ready to Scale



Compounding our advantage

Mahindra Finance is a trusted financial solutions partner for Bharat, with deep roots in rural and semi-urban markets and a long-standing relationship-led franchise. We have built a diversified, resilient platform across products, geographies and customer segments, and are now entering the next phase with stronger digital, analytics and technology capabilities, sharper customer journeys and disciplined execution.

Our relevance comes from our ability to stay close to customer realities. Mahindra Finance supports customers whose aspirations are tied to mobility, agriculture, small business and household progress, using a hybrid model that combines physical reach, local relationships and digital enablement. Initiatives such as Udaan have been undertaken to improve customer journeys, introduce a more efficient retail branch structure, strengthen acquisition combined with other aspects like enhanced portfolio quality and more robust controls reflect an organisation that has built strong capabilities and is now shaping its next leap. The emphasis in FY2027 is on scaling safely, efficiently and with purpose.



(RuSU - Rural and Semi-Urban)



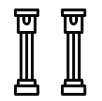
Our Vision

Most Trusted Financial Services Partner for Bharat



Our Purpose

Drive positive change in the lives of our communities. Only when we enable others to rise will we rise #TogetherWeRise



Our Brand Pillars

Rise for a more equal world

Climate change
Inclusion
Ethics

Rise to be future-ready

Customer-focussed
Technology
Innovation

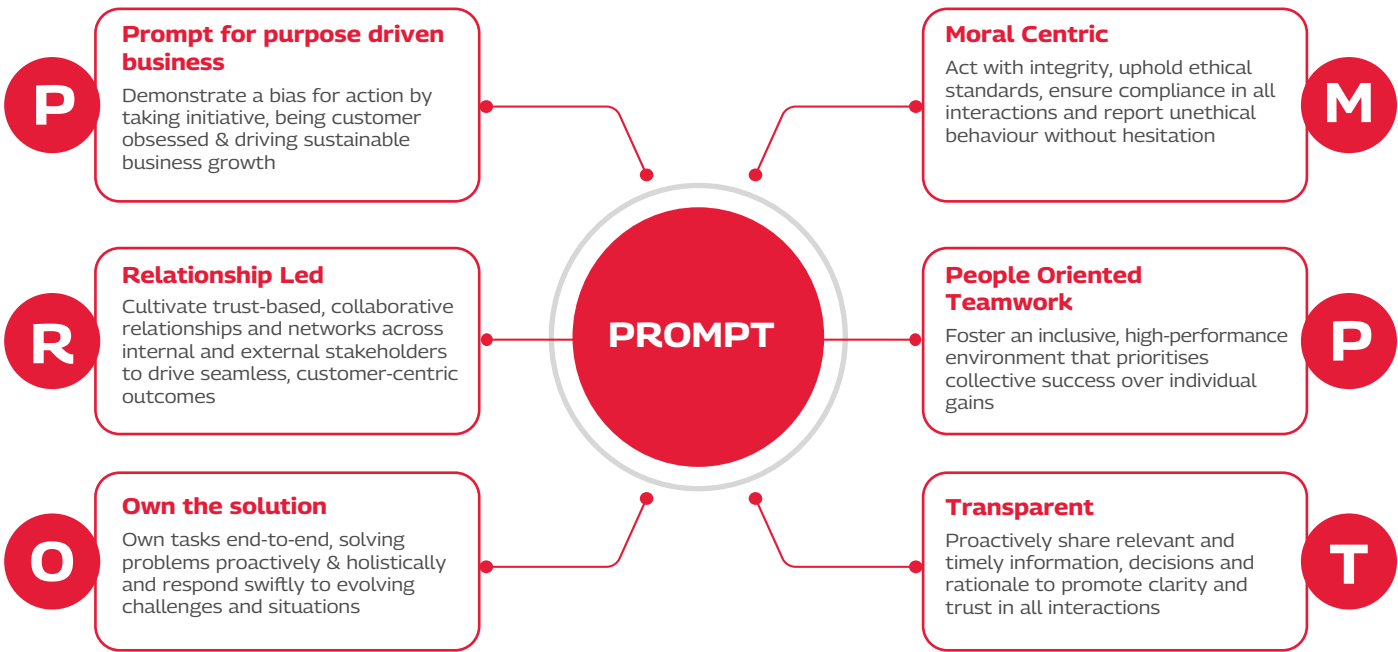
Rise to create value

Entrepreneurship
Scale
Impact



PROMPT Framework

What propels us ahead



Our Values. Our Strength

Guiding how we work. Powering every connection. Creating lasting impact.

**Core Values**

**Integrity**
Integrity is the steadfast commitment to do what is right. It is the courage to uphold principles when no one is watching and the conviction to choose honesty over convenience

**Quality**
Quality is the pursuit of excellence in every detail. It is about ensuring that every action, every product, and every experience reflects our promise to do things well

**Care**
Care is the heart of who we are. It begins with dignity of our people, extends to respect for our customers and finds its purpose in serving our communities

**Driving Force**

**Collaborative**
is helping each other, working as one team, always placing company ahead of self

**Agile**
is to prioritise with clarity and act with speed

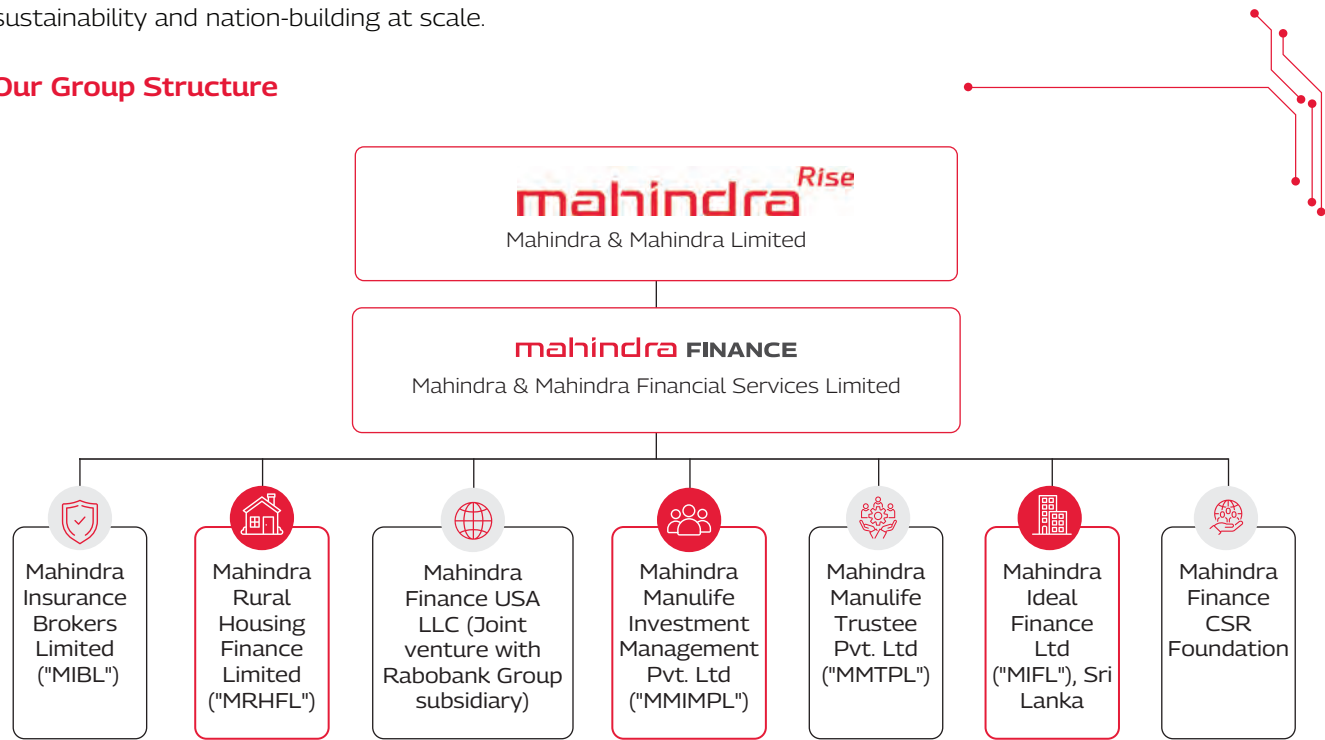
**Bold**
is to think big, set ambitious yet achievable goals and deliver what we promise

Our Parentage

Mahindra Group is one of India's leading multinational federation of companies with a strong presence across automotive, farm equipment, financial services, technology, logistics, hospitality, renewable energy and real estate. Founded in 1945, the Group operates in over 100 countries and employs more than 3,24,000+ people globally. Driven by its purpose of enabling communities to Rise, the Mahindra Group combines innovation, sustainability and nation-building at scale.

The Company benefits from the reputation, trust and institution building strength of one of India's most respected business groups. We also derive value from the broader group ecosystem, including captive and partner OEM relationships that support sourcing, customer engagement and portfolio quality.

Our Group Structure



Our Product Offerings

Mahindra Finance Product Offerings


Passenger Vehicle Loan


Commercial Vehicle Loan


Tractor Loan


Used Vehicle Loan


Vehicle Leasing


3-Wheeler Loan


Loan Against Property


Supply Chain Financing


Business Loan


Personal Loan


Life and General Insurance Distribution


Fixed Deposits

Subsidiaries Product Offerings


Housing Finance
(MRHFL)


Insurance Broking
(MIBL)


Asset Management
(MMIMPL)

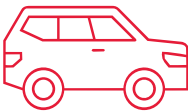

Gold Loan
(MIFL)


Vehicle Loan
(MIFL)

PRODUCT SUITE

Shaping the next leap with strong product offerings

Our product suite is designed to power the next leap by connecting customer aspirations with the right financial solution at the right stage of their journey. From vehicles and homes to small businesses, protection and investments, our portfolio is built to serve the evolving needs of Bharat with relevance, reach and resilience. Through a relationship-led, digitally enabled and risk-disciplined model, we continue to expand access, deepen impact and create long-term value for customers.



Vehicle Finance

Our vehicle finance business remains the core engine of the portfolio, serving customers across passenger vehicle and used vehicles, commercial vehicles, tractors, three-wheelers and construction equipment. The business continues to combine local presence, strong dealer relationships and digital enablement to support customer access and efficient execution.



Areas of strength and differentiation

- **Wide product coverage** across Auto, utility vehicle, passenger cars, tractors, commercial vehicles, and construction equipment
- **Deep distribution reach across rural and semi-urban** India through branches, dealers and field teams.
- Vehicle **leasing solutions** through our digital platform **Quiklyz**
- Strong relationships with OEMs and Channel partners (Dealers)
- **Broad customer base:** Fleet operators, farmers, businesses, self-employed, and salaried individuals
- Digitally assisted onboarding, servicing and collections to improve convenience and consistency

KPIs

₹ 1,20,000+ crore
Gross Loan Book

11%
Y-o-Y growth in gross loan book

8,90,000+
New contracts financed



SME Finance

Our SME proposition provides small businesses and entrepreneurs with customised financing solutions designed to meet working capital needs, optimise cash flows, and support business growth.



Areas of strength and differentiation

- Powering small enterprise with tailored financial solutions
- **Diverse loan offerings:** Loan Against Property, Equipment Finance, Working Capital Finance, and Supply Chain Finance for MSMEs.
- **Robust technology and enhanced due diligence:** High degree of digitisation in product delivery solutions with fintech integrations for risk management, fraud control, system-based business rule engines and regulatory compliance.
- **Risk Management:** Retail- secured loans focussed AUM build-up reducing concentration risk. LAP flagship loan product.
- Leveraging the Mahindra Group ecosystem: Credibility, expertise, and resources as a trusted financial partner

KPIs

₹ 8,000+ crore
Gross Loan Book

32%
Y-o-Y growth in gross loan book.



Housing Finance (MRHFL)

Our Housing Finance business continues to strengthen its presence across rural, semi-urban and urban India by offering a comprehensive suite of mortgage solutions. With an expanding customer base, improved asset quality and a sharpened strategic focus, we are well-positioned to scale responsibly and sustainably.



Areas of strength and differentiation

- A comprehensive portfolio of housing loans, catering to varied customer needs, including purchase, construction, extension and renovation.
- Access to housing finance across the geographical spectrum of semi-urban and urban India through a vast network of 500+ branch locations
- Personalised mortgage for all types of salaried and self-employed customers

KPIs

₹ 8,500+ crore
Gross Loan Book

13%
Y-o-Y growth in gross loan book

13,000+
New Customers Added



Insurance Broking and Distribution

Our distribution strength and product breadth played a key role in supporting customer requirements through our insurance products across life and general insurance.



Insurance Distribution (MMFSL)

Areas of strength and differentiation

- Strong sales and distribution network to grow both Group and Retail business
- Operational excellence through process automation and efficiently serving customer needs and protecting assets
- Digital initiatives to streamline services and improve customer experience
- Strategic skill-building across branches to institutionalise best practices

KPIs

₹ 950+ Crore

Net premium

14,24,000+

Cases



Mutual Funds
(Mahindra Manulife)

Empowering customers to invest confidently with simple, reliable investment solutions supported by a trusted group ecosystem.



Areas of strength and differentiation

- Consistency in investment performance across the fund range, reinforcing credibility and investor trust
- Comprehensive product suite creates the ability to be meaningful to a diverse set of investors, and helps them choose the right product fit for their goals and aspirations
- Joint venture brings in a unique combination of global best practice and local market and consumer understanding
- Detailed risk management framework to ensure that all potential risks are considered, monitored and reviewed on a constant basis

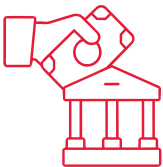
KPIs

₹ 30,600+ crore

AUM as on 31st March 2026

~ 1.5 Mn

Investor accounts across 27 schemes



Fixed Deposits

Enabling customers to grow their savings with confidence through fixed deposits that combine attractive returns, capital security and the credibility of a trusted financial institution.



Areas of strength and differentiation

- Highest credit rating of AAA from Crisil & India Ratings ensuring highest safety for investors
- Competitive and attractive interest rates on deposits for investors in AAA segment and special benefits for senior citizens
- Superior services enabled by seamless journey, robust processes, and technology
- Strong presence across India focused on catering to remote and semi-urban population enabling better savings potential

KPIs

₹ 6,700+ crore

Funds Mobilisation in
FY2026

88,550+

Active Investor Base

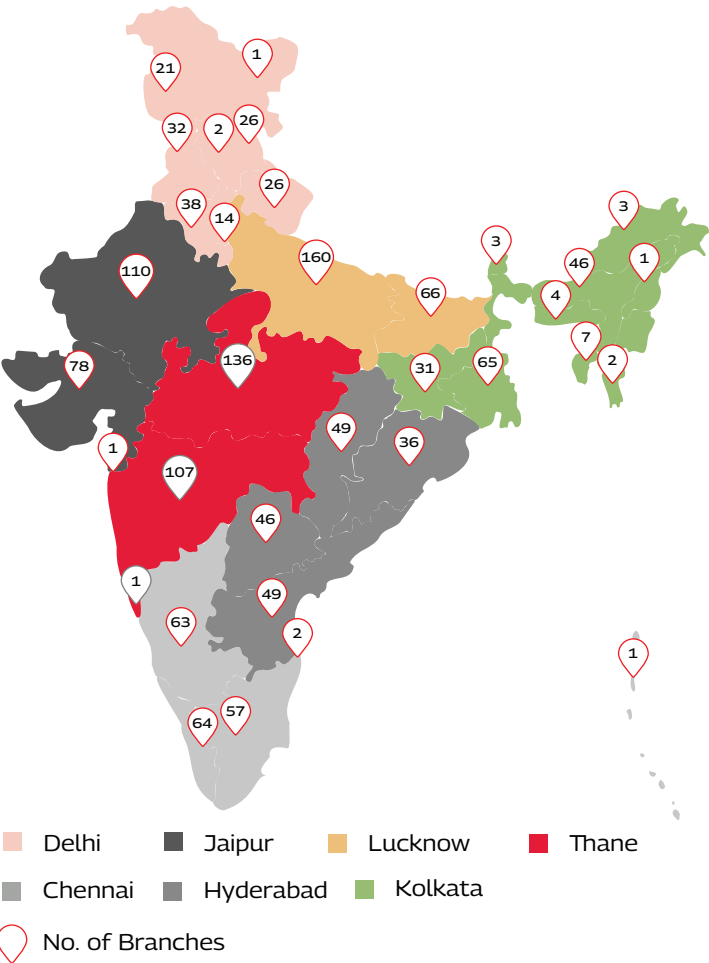
OUR GEOGRAPHIC PRESENCE

Built to scale across markets

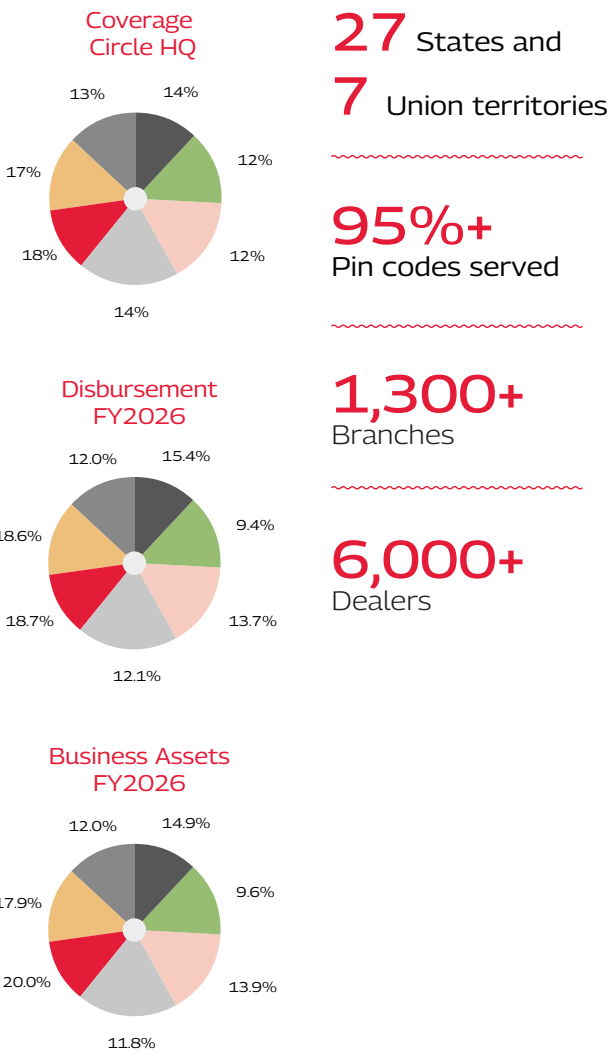
Mahindra Finance continued to strengthen and optimise our nationwide distribution network, focusing clearly on productivity enhancement, sharper customer servicing, and reinforcing our retail branch channel as a high impact driver of sustainable growth across Rural and Semi-Urban (RuSU) and Urban markets. Enhanced operating structures, sharper role clarity, and tighter execution controls further strengthened service delivery standards and turnaround times across the network. Optimization enabled sharper market focus while ensuring continued financial inclusion and service accessibility. With our deep RuSU presence and strong last-mile connectivity, Mahindra Finance remains well positioned to drive customer engagement, credit access, and service excellence at scale. The optimised distribution network provides a stronger foundation for the Company's next phase of growth by enabling focused market penetration, disciplined expansion, and superior customer responsiveness across geographies.

30 years+ operating experience in rural and semi-urban regions gives us significant domain expertise and insight into local needs

Our Geographic Distribution (Circle HQ)



(Standalone MMFSL Network)



6,000+ Dealers

TECHNOLOGY, DIGITAL AND AI

Driving Strategic Transformation

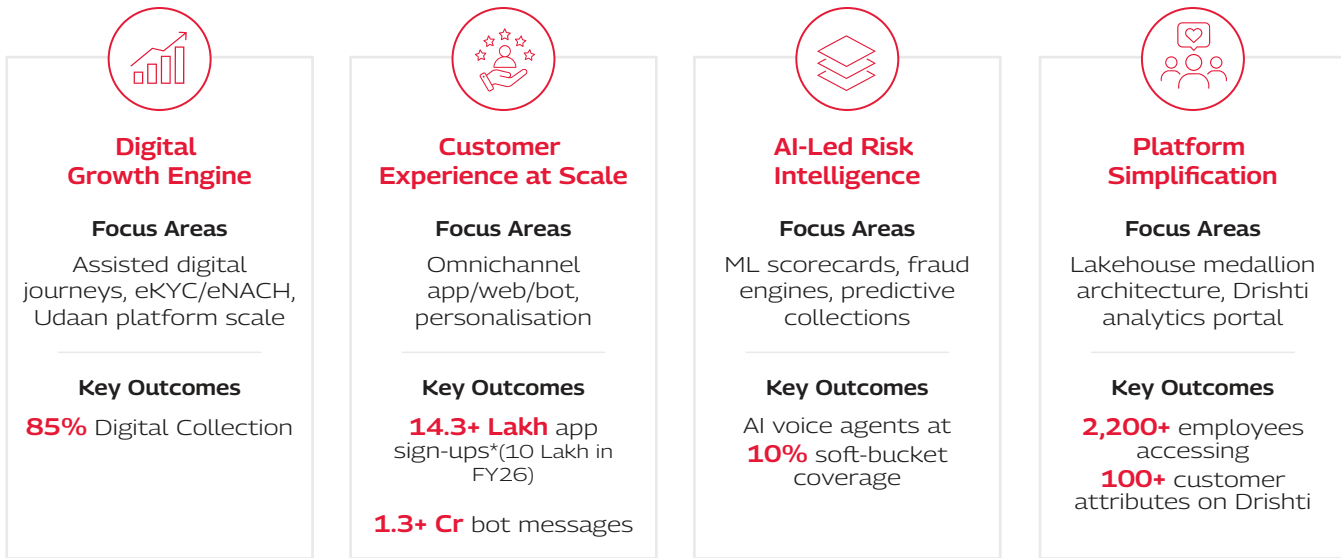
At Mahindra Finance, we are progressing towards becoming a Technology-First Financial Enterprise, with digital and AI capabilities positioned as core strategic pillars to drive scalable growth, superior customer experiences, and resilient operations. Through our enterprise-wide Udaan Digital Transformation Programme, which has now transitioned to steady-state operations, we have established a unified digital backbone across lending, servicing, and collections, enabling simpler workflows, greater transparency, and more consistent outcomes across teams.

By embedding AI across underwriting, risk, operations, and customer touchpoints, and strengthening our ecosystem through a mature data lakehouse, omnichannel platforms, and robust governance, we are delivering measurable outcomes such as ML-driven credit decisions, AI-orchestrated collections, and enterprise-scale customer applications. This integrated approach enables us to enhance customer experiences, improve operational efficiency, and support sustainable growth, while continuing to drive innovation across the organization.



Strategic Pillars

Our technology strategy rests on four named pillars—Digital Growth Engine, Customer Experience at Scale, AI-Led Risk Intelligence, and Platform Simplification that elevate tech as a competitive moat.



*App sign-ups are since launch of revamped version in Dec 2024

Udaan: Enterprise Digital Backbone

Udaan, our flagship transformation programme, has now achieved full adoption across lending, servicing, and collections journeys unlocking value through standardization and data enablement, and marking a key milestone in its execution phase.

Beyond rollout, Udaan is powering assisted digital lending leveraging analytics, alternative data, account aggregators, and automated credit and fraud checks along with integrated collections views and streamlined workflows. This has materially reduced turnaround times, strengthened compliance, and improved consistency in decision-making. Digital KYC, e-documentation, e-signing, and e-mandates have reduced manual effort and enhanced transparency

and compliance. In collections, the digital platform now provides an integrated customer view and supports automated reminders and digital payment options, contributing to improved engagement and early benefits in portfolio management. With adoption complete, the focus has shifted to optimisation, behavioural change, and deeper analytics-led interventions.



Customer Platforms: Omnichannel Ecosystem

Digital and AI remained key enablers of customer centricity and operational resilience during the year. Our Customer App and AI-powered conversational channels scaled significantly, driving higher digital adoption, service efficiency, and cross sell outcomes. Advanced analytics and AI were deployed across underwriting, collections, operations, and leadership

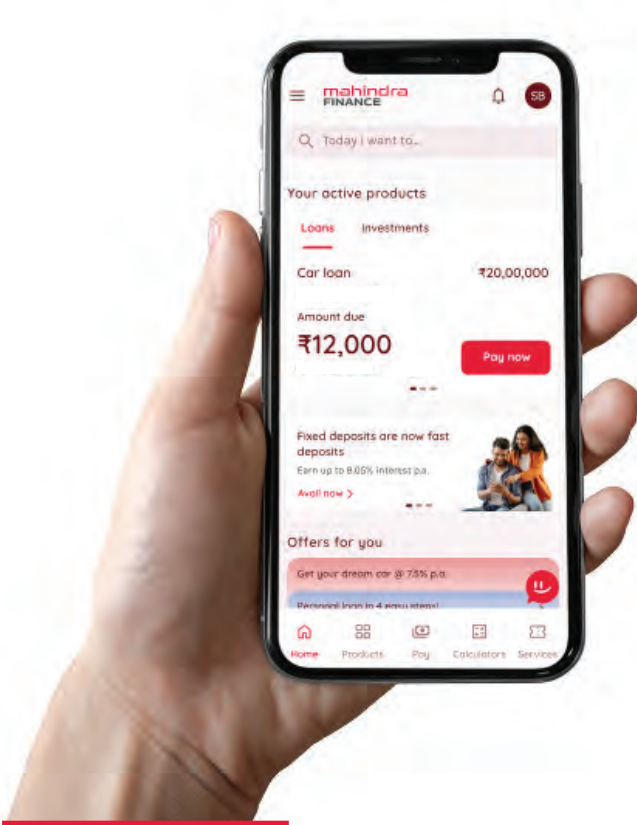
decision support, delivering measurable improvements in portfolio performance, cost efficiency, and turnaround times. These initiatives are underpinned by a resilient digital infrastructure, strong cyber security controls, and regulatory-grade data governance, ensuring safe and scalable digital growth.

Customer App

Driving Digital Scale and Customer-Centric Innovation

The Mahindra Finance Customer App has evolved into a high-impact, enterprise-scale digital platform, playing a pivotal role in strengthening customer engagement and accelerating digital adoption across the organization. With the strategic addition of new products and supporting platforms, customers can now access loans, investments, and core servicing

capabilities seamlessly across both mobile and web channels. The app continues to serve as a central pillar of Mahindra Finance's digital ecosystem, supporting growth, cross-sell, and operational efficiency while enhancing overall customer experience.



Key highlights of the app

- Launch of Personal Loan journey, enabling end-to-end digital sourcing and instant disbursal, strengthening the cross-sell ecosystem
 - Introduction of the Customer Web Portal to extend access to Mahindra Finance services and products beyond the mobile app, enabling customers to engage through their preferred digital channel
 - Significant scale-up of the digital payments ecosystem, driven by strong adoption of EMI payments. The year also saw wider usage of digital mandate setup and the introduction of in-app charge payments
- Launched the Wheels journey, allowing customers to
- check and avail offers through a simple 4-step process within the app, with seamless processing through MTezz
- Marked improvement in customer experience,
- reflected in a sharp rise in positive app reviews and deeper engagement levels, reinforcing customer trust and satisfaction with the digital platform

Key metrics

- 14.3+ Lakh** cumulative user signups on the app with sustained growth momentum (10 Lakh in FY2026)
- 1.6+ Lakh** leads from the app, with 30% hot leads
- 10x** increase in positive customer reviews, underscoring strong improvements in usability, reliability, and overall customer satisfaction

Expected future outcome

- Expanding product coverage across Insurance, SME, and Mortgages to unlock cross-sell & up-sell opportunities
- Scaling self-serve capabilities to increase digital share of customer servicing and reducing TAT
- Growing the contribution of Personal Loans through digital channels by strengthening digital acquisition, simplifying journeys, and scaling volumes across app, web, and bot touchpoints
- Further strengthening omnichannel ecosystem, integrating app, web, chatbot, and assisted touchpoints into a cohesive customer journey
- Continued enhancement of customer experience, targeting best-in-class platform ratings and engagement benchmarks
- Advance personalisation across digital platforms to drive higher cross-sell and engagement

Customerbot

Customerbot is our AI-powered conversational assistant designed to deliver seamless, personalized support to customers across key service journeys. Available across WhatsApp, web and mobile app channels and in multiple Indian languages, Customerbot enables customers to resolve queries instantly, apply for loans, make payments, and raise service requests with minimal friction. During the year, Customerbot scaled significantly in both adoption and business impact

It handled over a crore customer interaction, supported loan origination and collections use cases, and contributed meaningfully to disbursements and payment flows. Built on advanced natural language processing capabilities, the platform continues to improve intent understanding and response accuracy through continuous learning from real customer interactions.



Strengthening Risk Guardrails

Network Security & Infrastructure

At Mahindra Finance, we continue to enhance our network security and infrastructure with a clear focus on resilience, performance, and scalability, aligned with the growth of our digital ecosystem, through targeted modernization, connectivity, and governance initiatives undertaken during the year.

 Completed a pan-India network modernization, refreshing 2,000+ EOL/EOS switches and access points and upgrading WAN connectivity across 840+ locations, materially improving reliability, performance, and scalability

 Deployed SDWAN across 220 locations, enhancing application performance, link resilience, and cost efficiency while reducing dependence on legacy MPLS

 Expanded data centre bandwidth to support higher transaction volumes and digital growth, enabling consistent performance across branches and channels

 Strengthened security posture through Zero Trust adoption (ZPA across group entities), Cloudflare WAF for critical applications, and DC-DR network segmentation with a redesigned DR architecture to improve failover and business continuity

 Modernized access governance with VM based NAC, implemented centralized monitoring (SolarWinds), and institutionalized strong audit governance aligned to RBI guidelines, closing the year with no high or critical network vulnerabilities

Cybersecurity and Resilience

At Mahindra Finance, we continued to strengthen our cybersecurity posture with a clear focus on resilience, regulatory readiness, and proactive risk reduction, aligned with business growth and expansion of its digital footprint.

 The year has been instrumental where we achieved an **NIST maturity score of 3.0 and ISO 27001:2022 certification** demonstrating a defined and repeatable cybersecurity operating model.

 On the data privacy front, we made steady progress towards compliance to **DPDP Act**. Key initiatives include initiation of **RoPA** (Record of Processing Activities) and **DPIA** (Data Protection Impact Assessment) processes, revision of policies on data privacy and review of privacy clauses in MSAs, ensuring stronger governance over personal data handling and regulatory compliance.

 Overall, these initiatives collectively demonstrate a maturing cybersecurity and privacy program, providing stronger assurance to the Board and regulators while enabling the business to scale securely

Glossary: •EOL: End of Life •EOS: End of Support •MPLS: Multi-protocol Label Switching •SD WAN: Software-Defined Wide Area Network
•ZPA: Zero Private Access •WAF - Web Access Firewall •DC: Data Centre •DR: Disaster Recovery •VM: Virtual Machine •NAC: Network Access Control
•DPDP Act: Digital Personal Data Protection Act, 2023

KEY PERFORMANCE INDICATORS

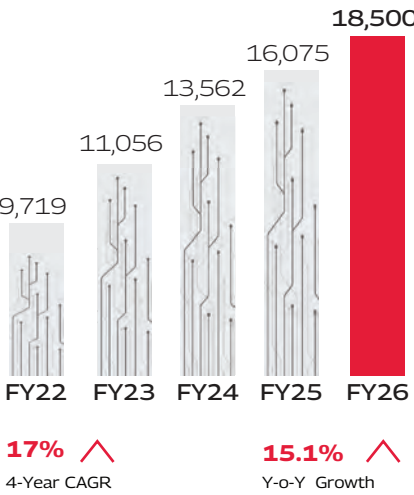
Delivering Profitable Growth with Stronger Fundamentals

We delivered a visible step-up in profitability in FY2026, supported by steady business growth, improved margins, disciplined cost management and sustained focus on asset quality. Gross Loan Book rose to ₹1,34,096 crore and Profit After Tax increased to ₹2,782 crore. Return on Assets improved to 2.0%, while capital adequacy remained strong at 18.8%. Our diversified asset book, deeper Bharat presence and continued investments in digital, data and AI position us well for sustainable future growth.

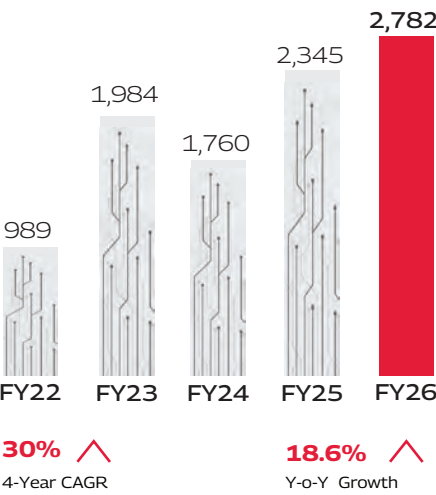
Our Financial Metrics

(On Standalone basis)

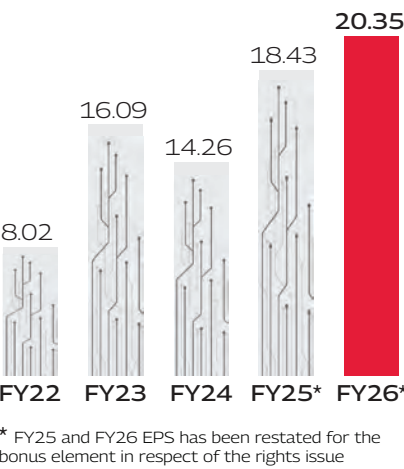
Total Income (₹ in crore)



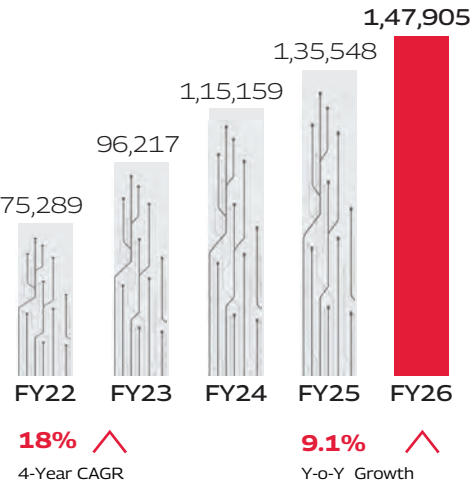
Profit After Tax (₹ in crore)



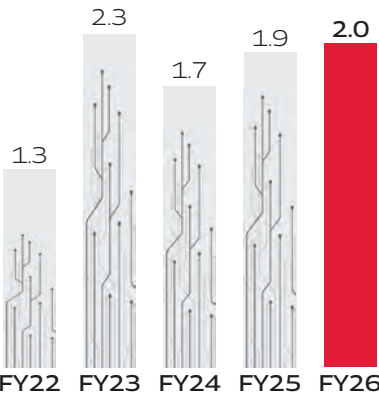
Earnings Per Share (Basic) (₹)



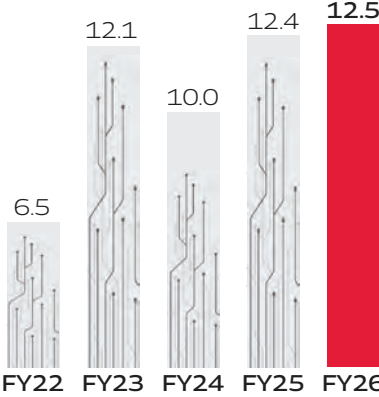
Total Assets (₹ in crore)



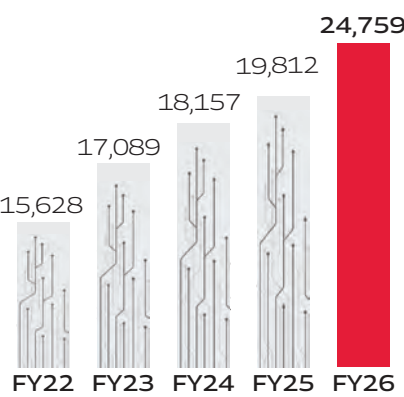
Return on Assets (RoA) (%)



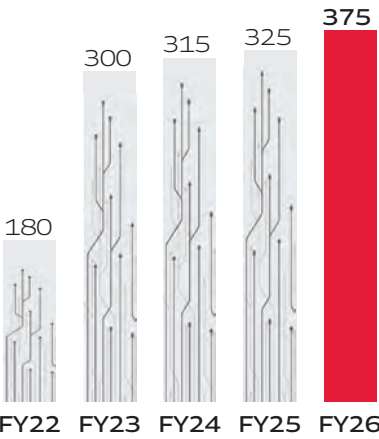
Return on Net Worth (RoNW) (%)



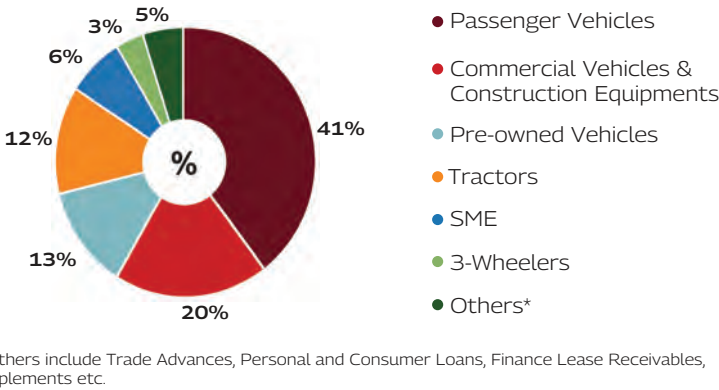
Net Worth (₹ in crore)



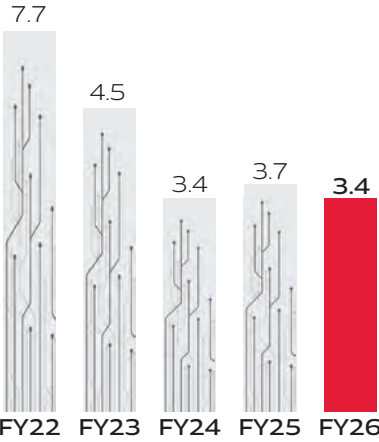
Dividend (%)



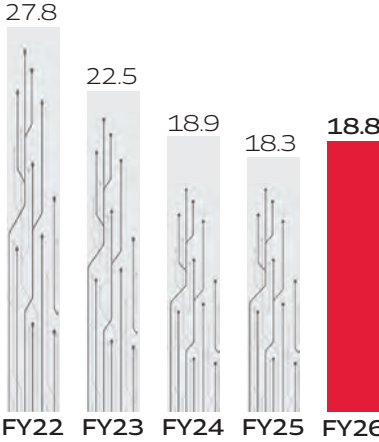
Breakdown of Asset Book (%)

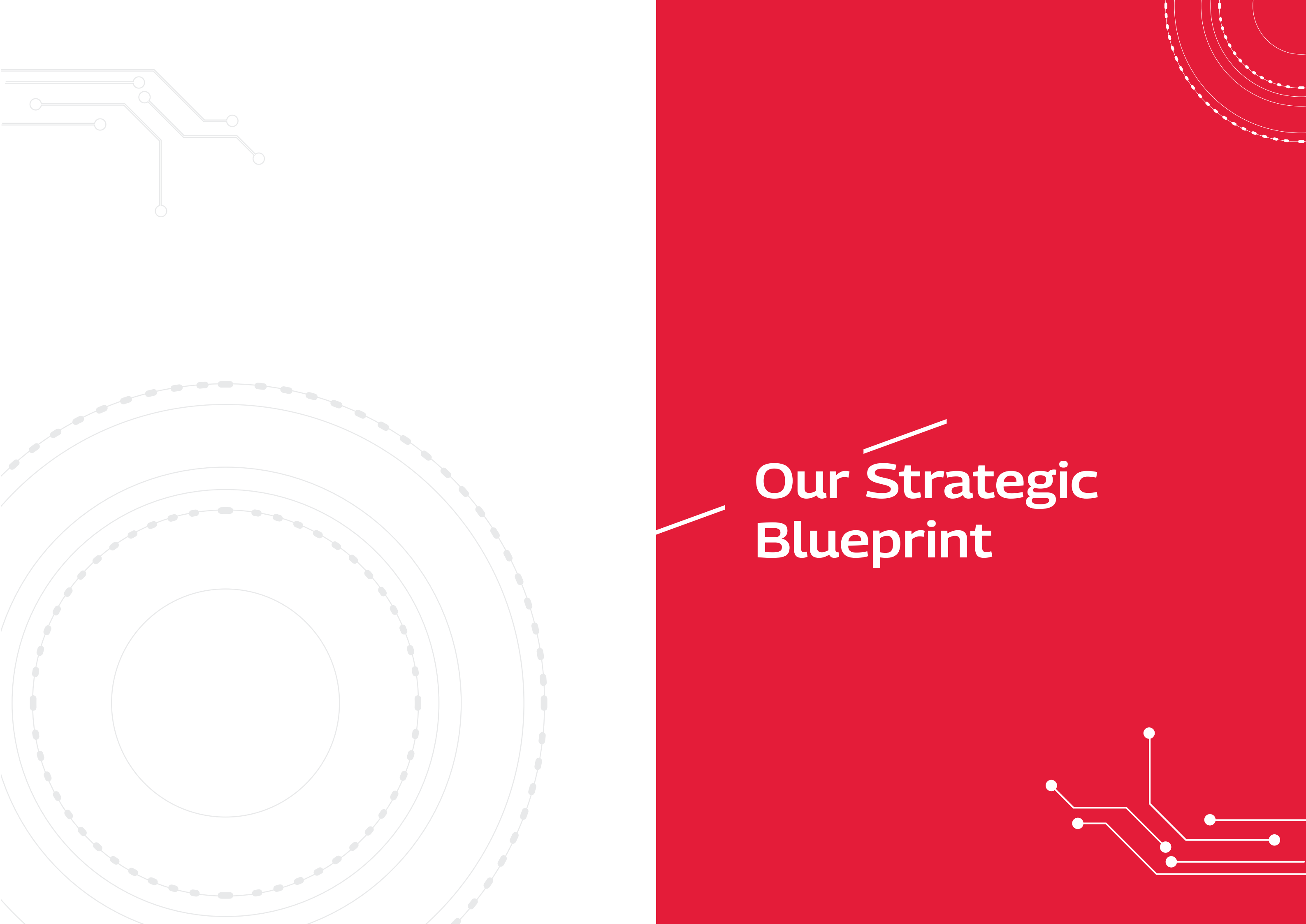


Gross Stage 3 (%)



Capital Adequacy (%)





**Our Strategic
Blueprint**

OUR STRATEGIC BLUEPRINT

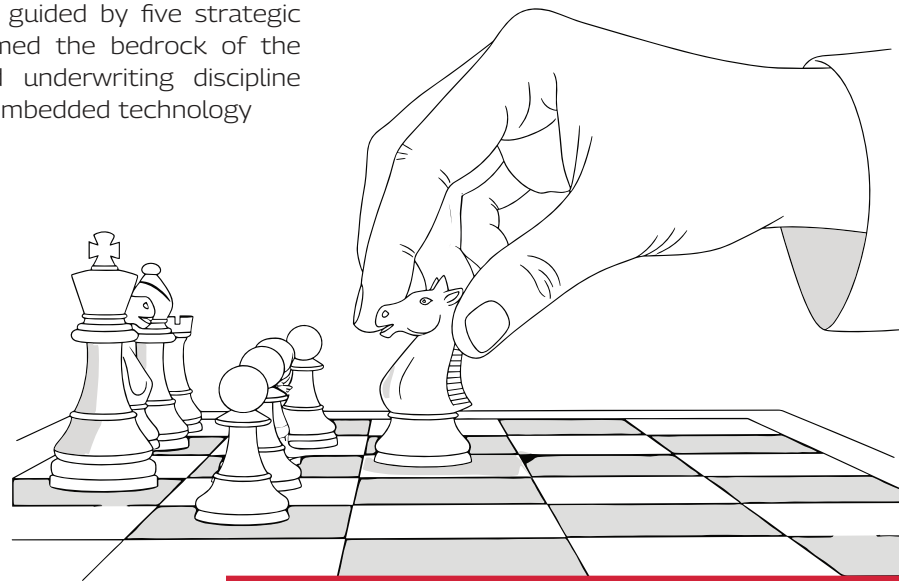
From Foundation to Flight - Scaling with Strength

Mahindra Finance has undertaken a deliberate and disciplined transformation journey to fundamentally strengthen the Company's core, sharpen its risk architecture, and to build the operational and digital muscle needed to compete and win in a rapidly evolving financial services landscape.

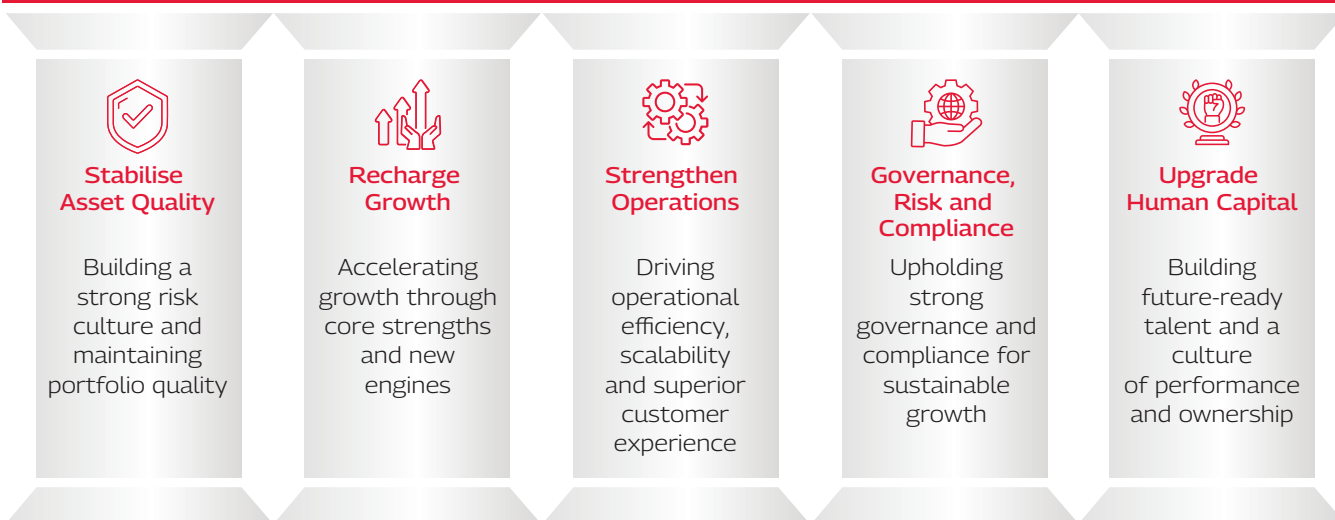
Between FY2022 and FY2026, the Company delivered an AUM CAGR of ~20%, while Gross Stage 3 declined from 7.7% to 3.4%, credit costs stabilised at ~1.7% - a testament to the quality of growth achieved. Wheels AUM scaled from ~₹60,000 crore to over ₹1,20,000 crore. Simultaneously, the SME book grew at a 39% CAGR, insurance fee income expanded exponentially.

The Company also transformed the way it did business - it instilled underwriting discipline, embedded technology in manual processes, and strengthened the risk posture of the Company. This transformation was guided by five strategic pillars. Together, these pillars formed the bedrock of the Company's renewal. They instilled underwriting discipline where volatility once existed. They embedded technology where manual processes once prevailed. They brought governance rigour where oversight gaps once persisted. And they attracted and developed talent capable of building a modern, scaled financial institution.

Today, these five pillars are the foundation of the Company's enduring strength



FIVE STRATEGIC PILLARS



With this foundation in place, Mahindra Finance is now poised to pivot to growth and progress meaningfully on its Aspiration

ASPIRATION

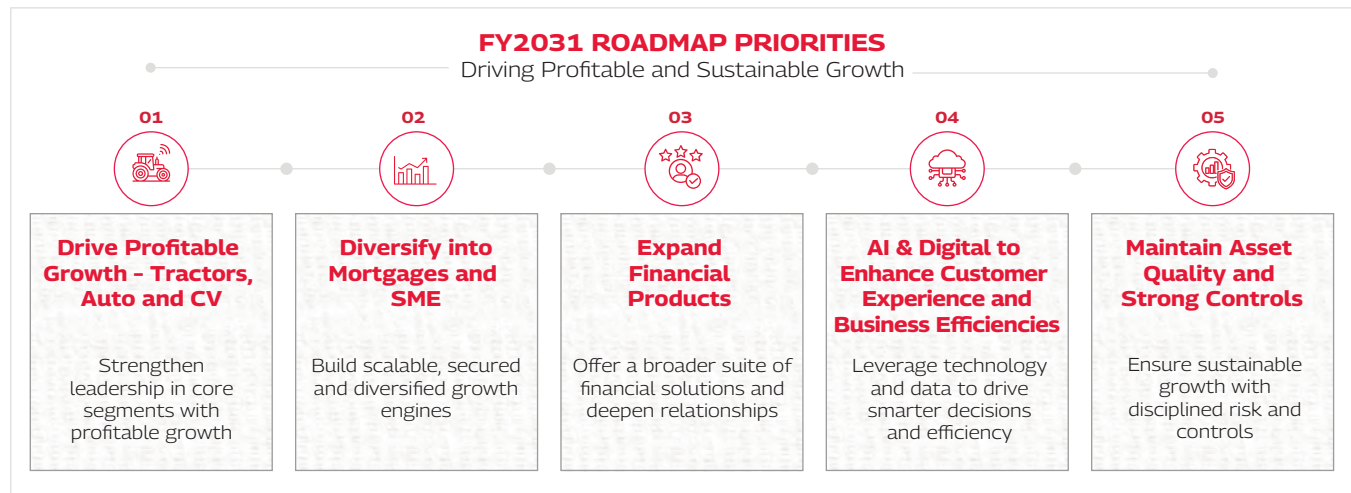
To become the most trusted financial services partner for Bharat

The Company has articulated its FY2031 Roadmap — a set of five growth priorities designed to translate foundational strength into sustained, profitable growth. These priorities represent the Company's pathway to becoming the most trusted financial services partner for Bharat.

The aspiration is bold yet grounded, all anchored in the behavioural principles of being Purpose-driven,

Relationship-led, Ownership-oriented, Moral-centric, People-oriented and Transparent (PROMPT).

The sections that follow outlines the strategic priorities with a forward-looking roadmap structured around Aspiration, Right to Win, and Plan for each of the five priorities — charting how the Company will scale its core, build new engines, and deepen customer relationships to deliver sustainable value

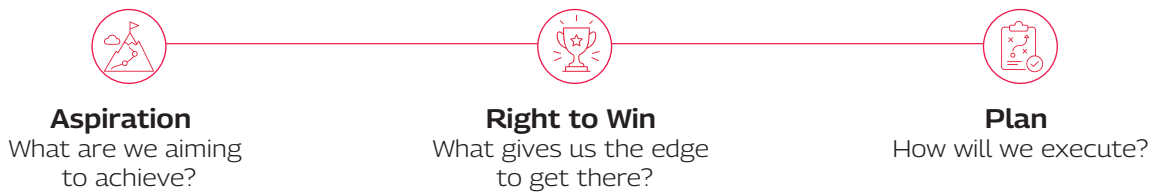


FY2031 STRATEGIC PRIORITIES

Pivot to Profitable Growth

The FY2031 Roadmap translates the Company's foundational strengths into a focused growth agenda designed to deliver sustainable profitability, diversify the asset base, deepen customer relationships, scale AI and digital capabilities and maintain strong risk discipline. The roadmap is anchored in a clear aspiration: to become the Most Trusted Financial Services Partner for Bharat.

Each priority is structured around three questions:



01



DRIVE PROFITABLE GROWTH - TRACTORS, AUTO & CV

Strengthening leadership in core wheel segments

Aspiration

Establish Mahindra Finance as the foremost mobility financier across rural and semi-urban India — strengthening leadership in Tractors, accelerating expansion in Auto and CV, and optimising portfolio mix and profitability.

Right to Win

- **Group parentage:** Strong OEM alignment and dealer access
- **Unmatched rural reach:** Last-mile sourcing and collections across 95%+ pin codes
- **Deep customer insights:** Multi-cycle repayment data across 11 million+ customers
- **Proven collections strength:** Stability across economic cycles

Plan

- **Improve quality** of originations across core segments
- **Strengthen dealer** and OEM engagement
- **Drive growth** in profitable customer segments
- **Improve productivity** across field and branch channels
- **Use analytics** to sharpen customer selection and pricing

02



DIVERSIFY INTO MORTGAGES AND SME

Building secure and scalable growth engines

Aspiration

SME - Position Mahindra Finance as a trusted SME finance partner. Focus on secured first financial solutions to SMEs and ecosystems.

Mortgages - To be positioned as a trusted housing finance partner.

Right to Win

SME

- **Scale selectively** by combining ecosystem-led sourcing
- **Secured-first risk architecture**, disciplined underwriting
- **Tech-enabled** operating leverage

Mortgages

- **Deep brand equity**, Trusted parentage
- **Digitally enabled processes** that deliver lower turnaround times through tech-enabled customer journeys.

Plan

SME

- **Cross-sell:** Increase products per customer through cross-sell within the wheels segment.
- **Underwriting:** Enhance underwriting capability
- **Continue digitisation**, make AI-ready, to unlock operational efficiencies
- **Improve productivity** and customer focus through streamlined workflows

Mortgages

- **Scale Prime** business
- **Strengthen risk governance** and portfolio resilience
- **Digitise all processes** and use AI prudently
- **Improve productivity** through paperless workflows
- **Expand geographically** using proven business models

03



EXPAND FINANCIAL PRODUCTS

Deepening customer relationships beyond lending

Aspiration

Become a broader financial solutions partner for Emerging India by expanding relevant financial products across customer life stages.

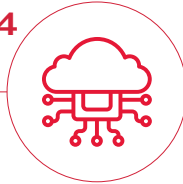
Right to Win

- **Large customer base**
- **Trusted brand**
- **Extensive branch network**
- **Insurance & Investment** ecosystem
- **Strategic partnerships**

Plan

- **Insurance distribution:** Protection and fee income
- **Mutual funds:** Wealth and investment solutions
- **Fixed deposits:** Liability franchise and customer trust
- **Leasing:** Premium and asset-light opportunities
- **Co-lending / co-origination:** Scalable partnership-led growth
- **Digital cross-sell:** Higher customer penetration

04



AI & DIGITAL TO ENHANCE CUSTOMER EXPERIENCE AND BUSINESS EFFICIENCIES

Building a digital-first, AI-enabled operating model

Aspiration

Build a scalable, AI-enabled and data-led operating model that enhances customer experience, improves decision-making and drives business efficiency.

Right to Win

- **Existing digital platforms:** Udaan stack with 100% wheels business coverage
- **Customer app ecosystem:** 14.3+ lakh App Sign-ups, 12 languages
- **AI and analytics capabilities:** ML scorecards, predictive models, GenAI tools
- **Digital collections experience:** 85% collections already digital
- **Cloud and automation infrastructure:** Modernised, cloud-based architecture

Plan

- **AI-led underwriting:** Faster, sharper credit decisions
- **Agentic collections:** Improved efficiency and lower cost
- **Customer self-service:** Better experience and reduced servicing load
- **Predictive analytics:** Early risk detection
- **Real-time dashboards:** Faster decision-making
- **Process automation and Agentic operations:** Lower TAT and higher productivity

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SHAPING THE NEXT LEAP

41



05 MAINTAIN ASSET QUALITY AND STRONG CONTROLS
Scaling responsibly with risk discipline

Aspiration

Deliver growth with disciplined risk management, stable asset quality, lower volatility and strong governance.

Right to Win

- **Strengthened underwriting discipline:** Calibrated parameters, refined segmentation
- **Advanced analytics and early warning systems:** Predictive scorecards, portfolio monitoring
- **Digital and on-ground collection infrastructure:** Hybrid AI + field model
- **Strong governance and compliance oversight:** Three lines of defence, KRI framework
- **Technology-enabled monitoring:** Real-time dashboards, fraud detection
- **Risk ownership across business units**

Plan

- **Asset Quality Focus:** Embed Asset Quality Discipline
- **Risk-Based Product Design:** Strengthen Product Risk Guardrails
- **Proactive Risk Identification:** Enhance Early Warning Systems
- **Robust Risk Controls:** Strengthen Fraud Risk Controls
- **Digital Risk Oversight:** Leverage Digital Risk Dashboards
- **Reinforce Governance Excellence**

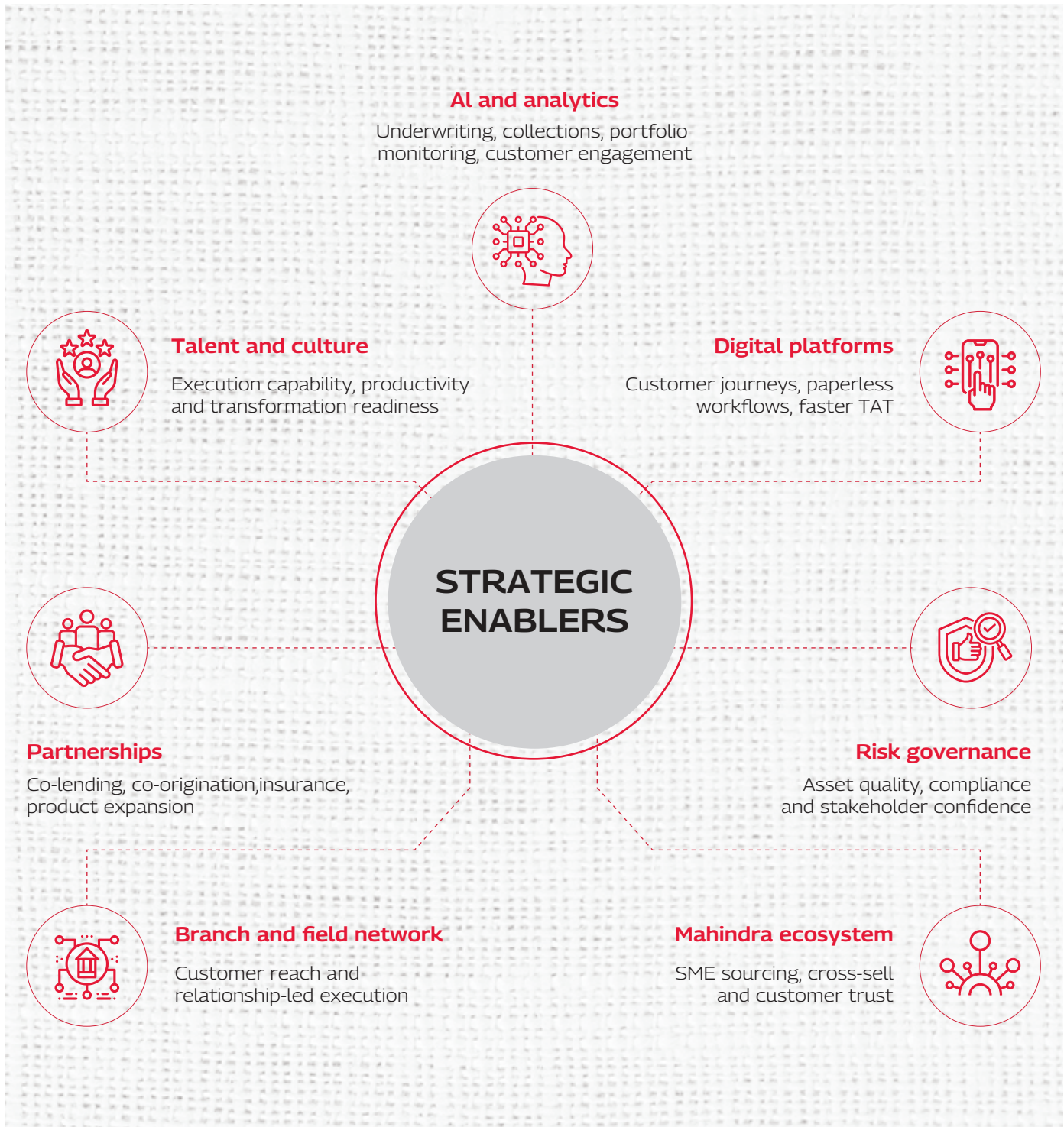


STRATEGIC ENABLERS

Driving the FY31 Roadmap of Profitable Growth

Cutting across all five priorities, the Company's roadmap is powered by a set of strategic enablers - its unmatched rural and semi-urban distribution (1,300+ branches, 6,000+ channel outlets, 95%+ pin codes), the Mahindra Group ecosystem (OEM synergies, customer database), a future-ready technology backbone (Udaan, AI/ML, cloud infrastructure), and a strong, values-driven culture anchored in the PROMPT framework

Our enablers strengthen our foundation and accelerate execution across all strategic priorities - enabling us to scale growth, protect asset quality and deliver long term value to our stakeholders



CREATING MEANINGFUL VALUE WITH PURPOSE

We are committed to creating long-term, inclusive, and sustainable value for all our stakeholders. Guided by our core values, we strive to make a positive impact through responsible growth, strong relationships, and purposeful action.



CUSTOMERS:

Driven by a customer-first approach, we deliver innovative solutions and meaningful experiences that help meet the evolving needs of our customers.

Read more on page no. 46



INVESTORS:

We build investor confidence through transparency, strong governance, and a consistent focus on safeguarding stakeholder interests.

Read more on page no. 52



OUR PEOPLE:

We foster a safe, inclusive, and empowering workplace where employees can grow, thrive, and realise their full potential.

Read more on page no. 58



ENVIRONMENT:

We remain committed to responsible operations by promoting sustainability, reducing environmental impact, and encouraging efficient use of resources.

Read more on page no. 66



COMMUNITY:

Through our CSR initiatives, we support social progress, create opportunities, and help build stronger, more resilient communities.

Read more on page no. 72

Value Created For Stakeholders

Value Created for
CUSTOMERS

Building Customer Centric Financial Solutions

Guided by our purpose of enabling others to rise, MMFSL creates customer value by making financial solutions more accessible, relevant and trustworthy for Bharat. Our customer promise is about supporting aspirations, strengthening livelihoods and building long-term financial confidence. Our goal is to be a reliable partner in each customer's growth by listening, responding and innovating to meet their evolving needs.



Material issues addressed

- Customer well-being
- Responsible products and services

SDGs impacted



Key risks considered

- Low customer satisfaction risk
- Brand reputation risk
- Customer service risk

Capital Impacted

- Manufactured Capital
- Social and Relationship Capital

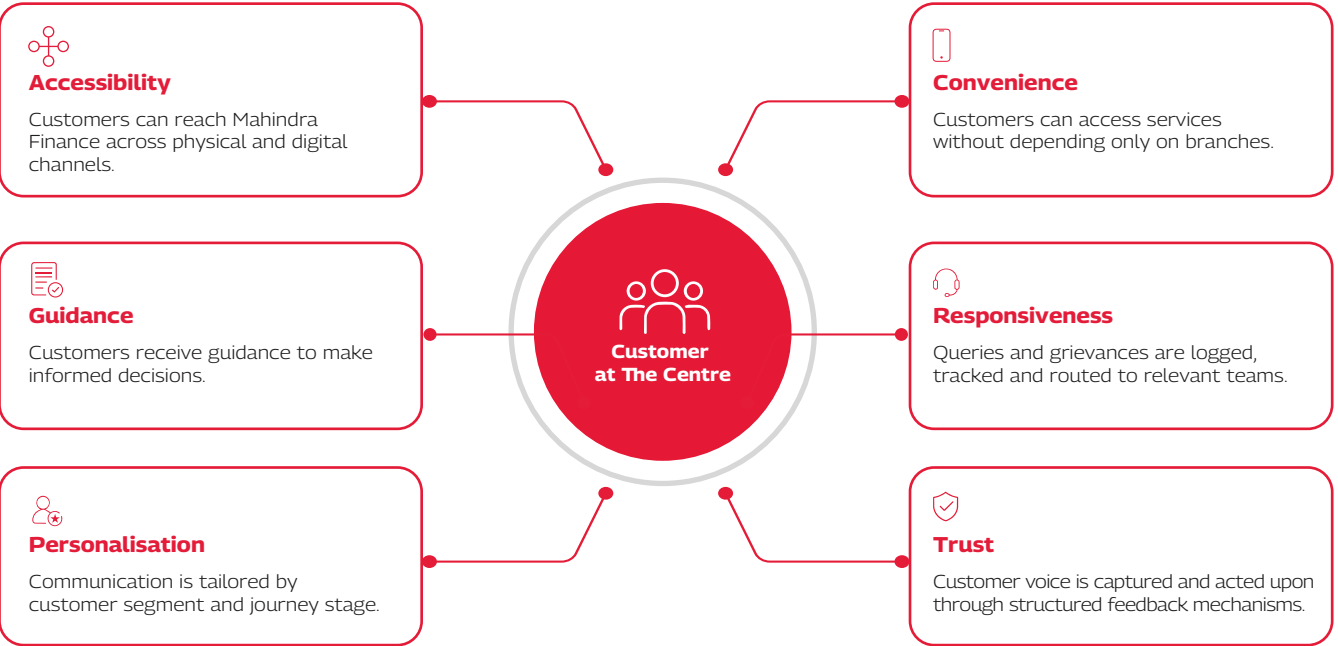
Customers interact with us via multiple channels, including branches, dealer locations, events, our website, mobile application, WhatsApp, chatbot, social media and call centre. We aim to make this engagement seamless, responsive and centred on the customer lifecycle, thereby enabling customers to access information, services, support and financial solutions with ease. Our customer engagement model is evolving into a “phygital” approach, where physical channels and digital platforms work together across all lifecycle stages.



*App sign-ups are since launch of revamped version in Dec 2024

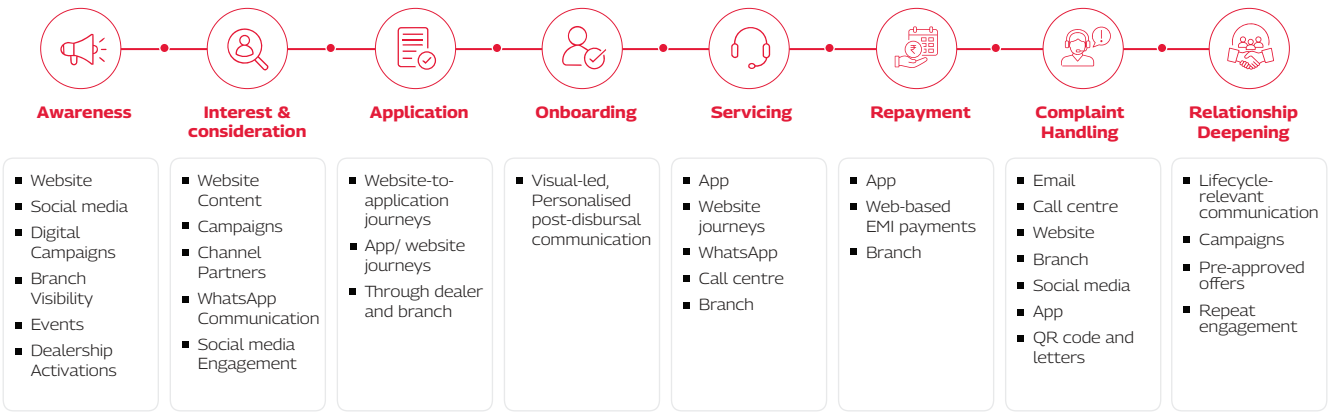
Our Customer Value Proposition

Six pillars that define how we create meaningful value for every customer, every day.



Customer Journey

Awareness to Repeat Engagement



Key channels across the journey



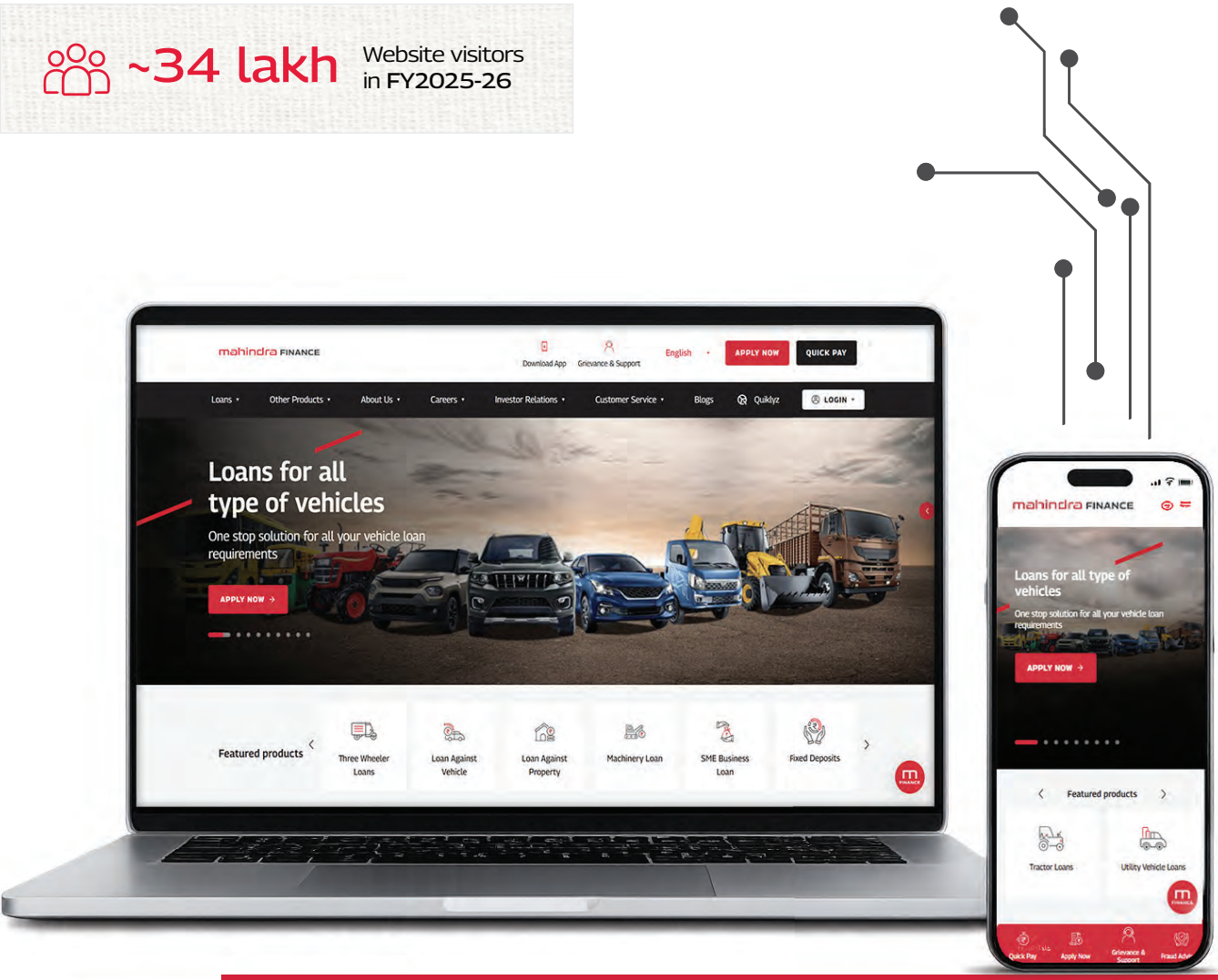
Phygital Touchpoints and Service Access

We have strengthened our customer engagement ecosystem through a wide range of physical and digital touchpoints. These channels play distinct but connected roles in helping customers discover

products, access information, raise queries, receive transactional updates, make payments, file complaints and engage with the Company across their lifecycle.

Enabling Informed Digital Journeys through the Website

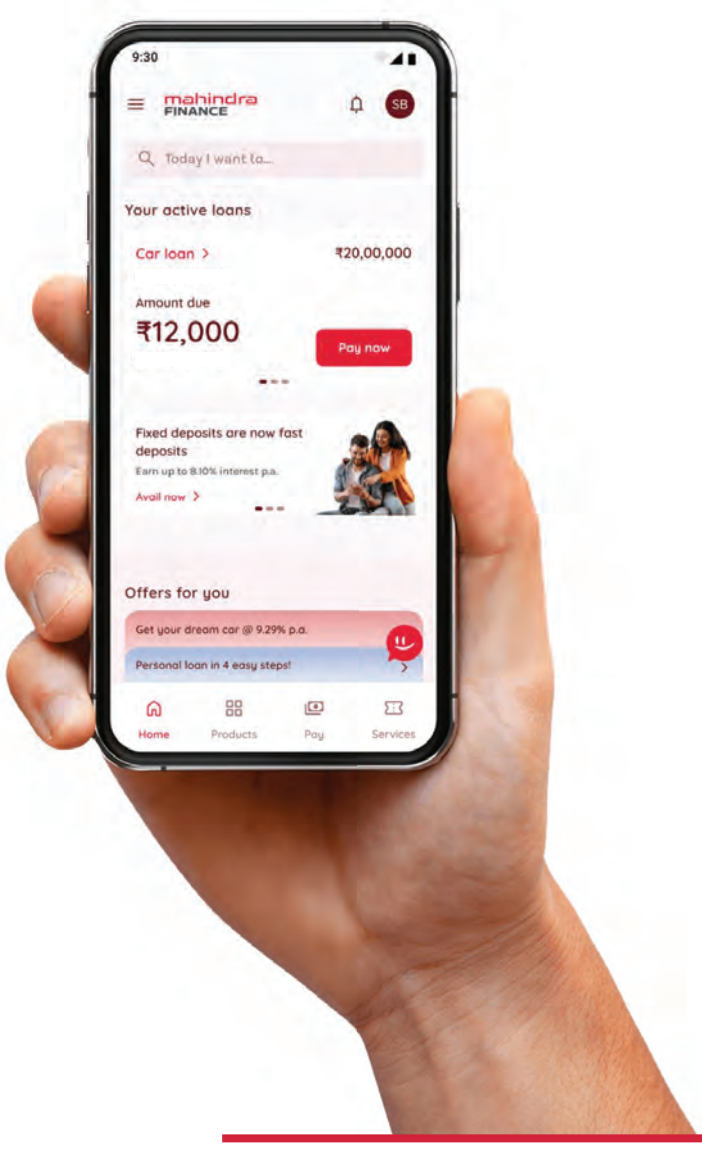
In FY2025-26, the website served as a vital digital interface for enhancing product awareness, providing customer service, and developing new business opportunities. It was augmented with targeted content focused on key financial themes, thereby facilitating prospects' access to pertinent information. The Company optimised the site to align with AI-driven search behaviours thereby enhancing online visibility and ensuring a seamless transition for visitors from search to the application process.



Digital Convenience Through App, Web and WhatsApp

The Company strengthened digital access through the customer app, web-based experiences, WhatsApp communication and online service capabilities during the year. These platforms give customers greater control over routine service actions, including accessing information, making payments and raising requests with ease, convenience and transparency. The customer app provides 24/7 access to core services, including loan account view, EMI payments, document downloads and complaint filing.

WhatsApp is a crucial digital communication channel for Mahindra Finance. It combines payment reminders, service offerings, and marketing initiatives to boost engagement and support growth. Additionally, the platform is used to provide educational content on fraud awareness, thereby enhancing safety and building trust.



App Features

- 24/7 access to core services
- Multilingual bot
- Web version of the app
- EMI calculator and repayment guides
- Digital onboarding for Personal Loans
- In-app service requests
- Pre-approved Vehicle Finance offer visibility
- Seamless EMI payment through app and web



*App sign-ups are since launch of revamped version in Dec 2024

Customer Engagement and Relationship Building

Mahindra Finance’s engagement approach is evolving from transactional communication to relationship-led engagement. The Company used social media, digital campaigns, cultural storytelling, dealership activations, festive campaigns and events to connect with customers and communities in more meaningful ways.

The Company’s social media presence spans across multiple platforms and is used to engage existing and

prospective customers. Each platform plays a defined role in driving awareness and discovery through high-reach content, while also enabling responsive support through real-time query resolution and complaint management. Social media also serves as a listening layer, helping the Company address concerns, manage its reputation, and convert customer feedback into actionable insights.

Key Campaigns

Shubh Utsav festive campaign

The Shubh Utsav festive campaign was launched to capitalise on the key business period leading up to the festivities. Customer offers and contests were introduced. The campaign was supported by engaging content and communication, with visibility created across branches, 2,000+ channel partners and digital touchpoints.



Kisan Diwas campaign

Through the Kisan Diwas campaign, Mahindra Finance celebrated the farming community using AI-led content. The campaign reinforced the Company’s connection with rural India and recognised farmers as integral to its ecosystem.

Digital campaign for Fixed Deposits

A pan-India digital campaign was undertaken to grow the Fixed Deposits business. The campaign used cohort-based targeting aligned to customer aspirations and requirements, helping reach potential customers with greater relevance and supporting new customer acquisition.

and more



Engaging with Customers on Platforms of Their Choice

The Company has reimagined the post-disbursal journey by introducing a segmented, visual-first communication experience through WhatsApp that delivers personalised and contextually relevant messaging to customers. This has helped create a more personalised onboarding experience.

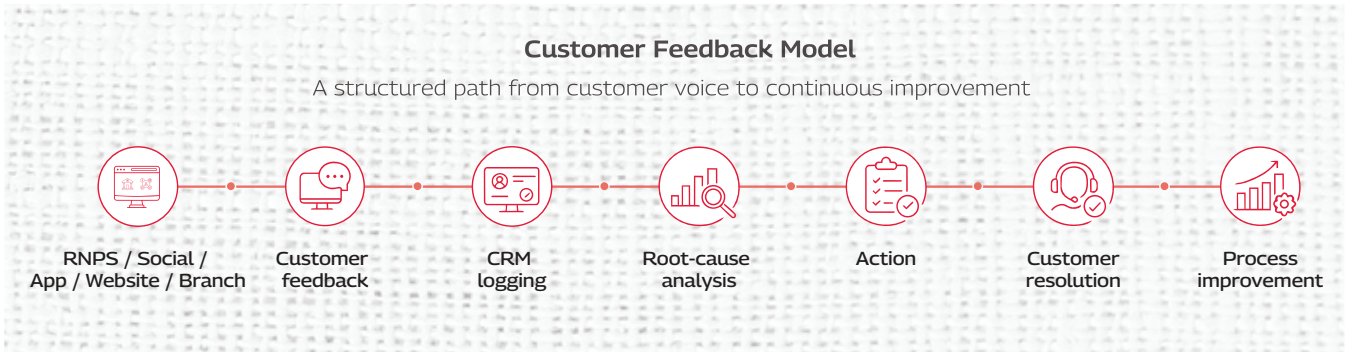
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Listening to Customers

Customer feedback is a critical driver of service improvement at Mahindra Finance. In FY2026, the Real-Time Net Promoter Score framework was strengthened into a more customer-centric, relationship-led experience model based on the “Listen – Interpret – Act” philosophy. This approach enables the Company to capture real-time feedback at critical customer touchpoints, interpret customer needs and convert insights into targeted interventions.

The RNPS framework supports a closed-loop mechanism that enables swift resolution, root cause correction and continuous improvement across the customer journey. This disciplined approach is helping build consistency, reinforce trust and strengthen long-term customer advocacy.



Grievance Redressal

Customers can raise grievances through multiple channels, including email, call centre, website, branch, social media, app, chatbot, regulators, QR code and letters. Each grievance is logged into the CRM with a unique reference number and an acknowledgement is sent to the customer.

Grievances are categorised by type, severity, and regulatory applicability. Ownership is assigned to the

appropriate team or investigator. Responsiveness and accountability are demonstrated through SLA adherence, complete audit trails, documented decisions, independent review where applicable and regular MIS reporting to senior management.

The customer app enables customers to raise and track grievances end-to-end, with real-time status updates at each stage.

Customer protection and education

Customer protection is also supported through digital education initiatives. WhatsApp is used to drive fraud-awareness communication, helping customers navigate their financial journeys safely

and building lasting trust. The website also supports customer education by offering targeted, research-backed content to build financial awareness and guide customers during decision-making.



Value Created for INVESTORS

Performance with Prudence

At Mahindra Finance, our investor value-creation approach is anchored in profitable growth, disciplined risk management, balance-sheet resilience, digital-led transformation and transparent stakeholder engagement. In the reporting period, the Company delivered a visible improvement in profitability while continuing to strengthen asset quality, capital adequacy, liquidity and future-ready capabilities across technology, products and governance.



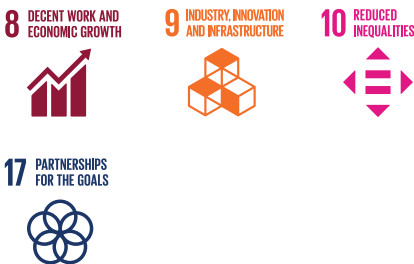
Key Material Issues Addressed

- Risk and control systems
- Board governance
- Customer well-being

Key risks considered

- Business risk
- Market risk
- Reputation risk
- Transparency and accountability risk

SDGs impacted



FY 2025-26 was marked by four defining themes

 A Visible step-up in profitability

 Business transformation through Digital and AI

 Stabilised asset quality

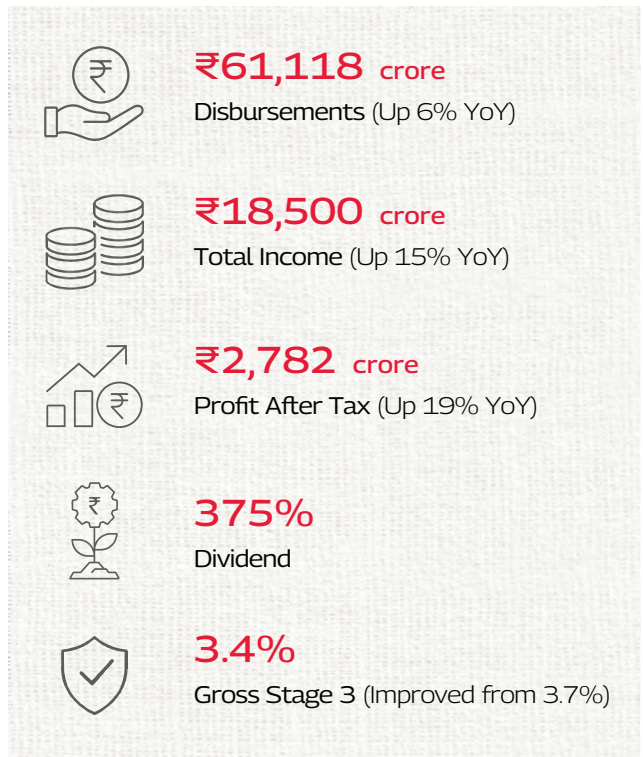
 Strengthened readiness to scale

These priorities enabled the Company to deliver steady growth in business assets, improved margins, stronger pre-provisioning profitability and a prudent provisioning posture, while continuing to invest in controls, people, systems and capital for long-term growth.

The Company delivered steady growth in disbursements and business assets, while strengthening profitability, sustaining asset quality within the guided range and maintaining a robust capital position.

Credit Rating and Funding Confidence

The Company continued to benefit from strong credit ratings and brand equity, enabling access to funds at competitive rates. All major rating agencies, including CRISIL, India Ratings, CARE and Brickwork, have assigned AAA/Stable ratings to the Company's long-term and subordinated debt. The Company's Fixed Deposit programme is rated AAA/Stable by CRISIL and India Ratings, while short-term bank facilities and commercial paper are rated A1+ by CRISIL and India Ratings.



Visible Step-up in Profitability

Mahindra Finance delivered a stronger profitability profile in FY2026, driven by margin expansion, growth in net interest income and operating discipline. Total income increased 15% year-on-year to ₹18,500 crore, while Net Interest Income (including other income) grew 24% to ₹10,108 crore. Pre-Provisioning Operating Profit increased 31% to ₹6,231 crore, reflecting the benefits of scale, improved spread and cost discipline. The Company's Profit After Tax increased 19% year-on-year to ₹2,782 crore, after labour code impact and management overlays.

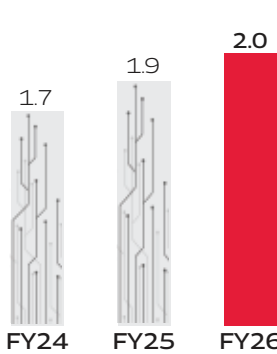
This year, gross spread (including other income) improved to 7.1%, compared with 6.5% in FY2025. Fee, investment and other income improved to 1.4% of average assets in FY2025-26, compared with 1.1% in FY2025, supporting the Company's efforts to broaden income streams. The Company also delivered an improvement in operating efficiency. Cost-to-income ratio improved to 38.4% in FY2026, compared with 41.7% in the previous year, reflecting the benefits of scale, productivity and process transformation.

Margin Expansion and Income Mix

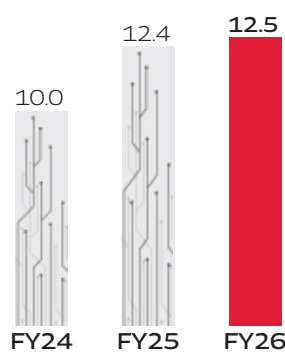
Metric	FY2024	FY2025	FY2026
Net Interest Margin	6.8%	6.5%	7.1%
Fee, investment and other income / average assets	1.1%	1.1%	1.4%
Interest cost / average assets	6.1%	6.3%	5.9%

Scale and Earnings Momentum

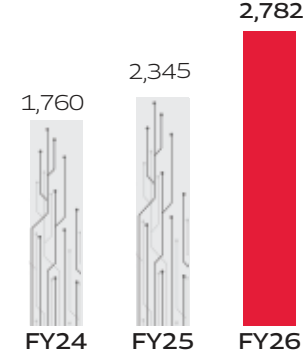
Return on Assets (RoA) (%)



Return on Net Worth (RoNW) (%)



Profit After Tax (PAT) (₹ in crore)



Stabilised Asset Quality

The Company continued to strengthen underwriting, portfolio monitoring, collections intensity and provisioning discipline. Gross Stage 3 improved to 3.4% as of March 2026, compared with 3.7% as of March 2025, while Net Stage 3 declined to 1.4%, compared with 1.8% in FY2025.

The combined GS2 + GS3 ratio improved to 8.2% as of March 2026, down from 9.1% as of March 2025, lowest level in eight years. This represents the impact of improved risk guardrails, strengthened collection practices, enhanced monitoring and disciplined customer selection.

The Company adopted a prudent provisioning approach during the year. Stage 3 provision coverage increased to 58.6%, compared with 51.2% as of March 2025, supported by management overlays. Credit cost stood at 1.7% for FY2026, including overlays, compared with 1.3% in the previous financial year. The increase reflected a conservative provisioning stance while sustaining asset quality within the guided range.

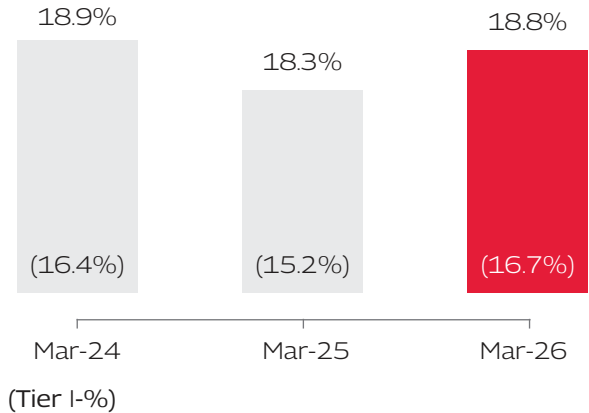
Gross Stage 3 and Net Stage 3 Trend

Year	Gross Stage 3	Net Stage 3	GS2 + GS3	Stage 3 coverage
FY2023	4.5%	1.9%	10.4%	59.5%
FY2024	3.4%	1.3%	8.4%	63.2%
FY2025	3.7%	1.8%	9.1%	51.2%
FY2026	3.4%	1.4%	8.2%	58.6%

Capital Adequacy

The Company remained well capitalised to support future growth. Capital Adequacy stood at 18.8% as of March 2026, with Tier I capital at 16.7% and Tier II capital at 2.2%. This capital position provides the Company with the capacity to support growth across core wheels and emerging businesses such as mortgages, MSME and leasing.

Debt-to-equity improved to 4.86:1, compared with 5.70:1 in FY2025. The Company's equity base increased to ₹24,759 crore as of March 2026, compared with ₹19,812 crore as of March 2025.



Liquidity and ALM

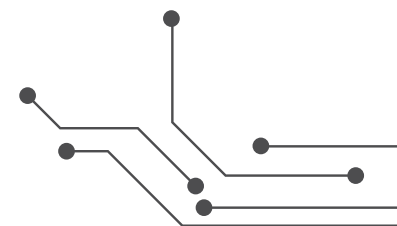
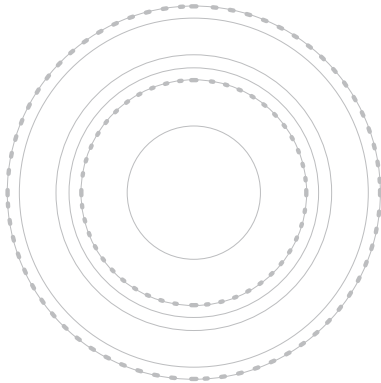
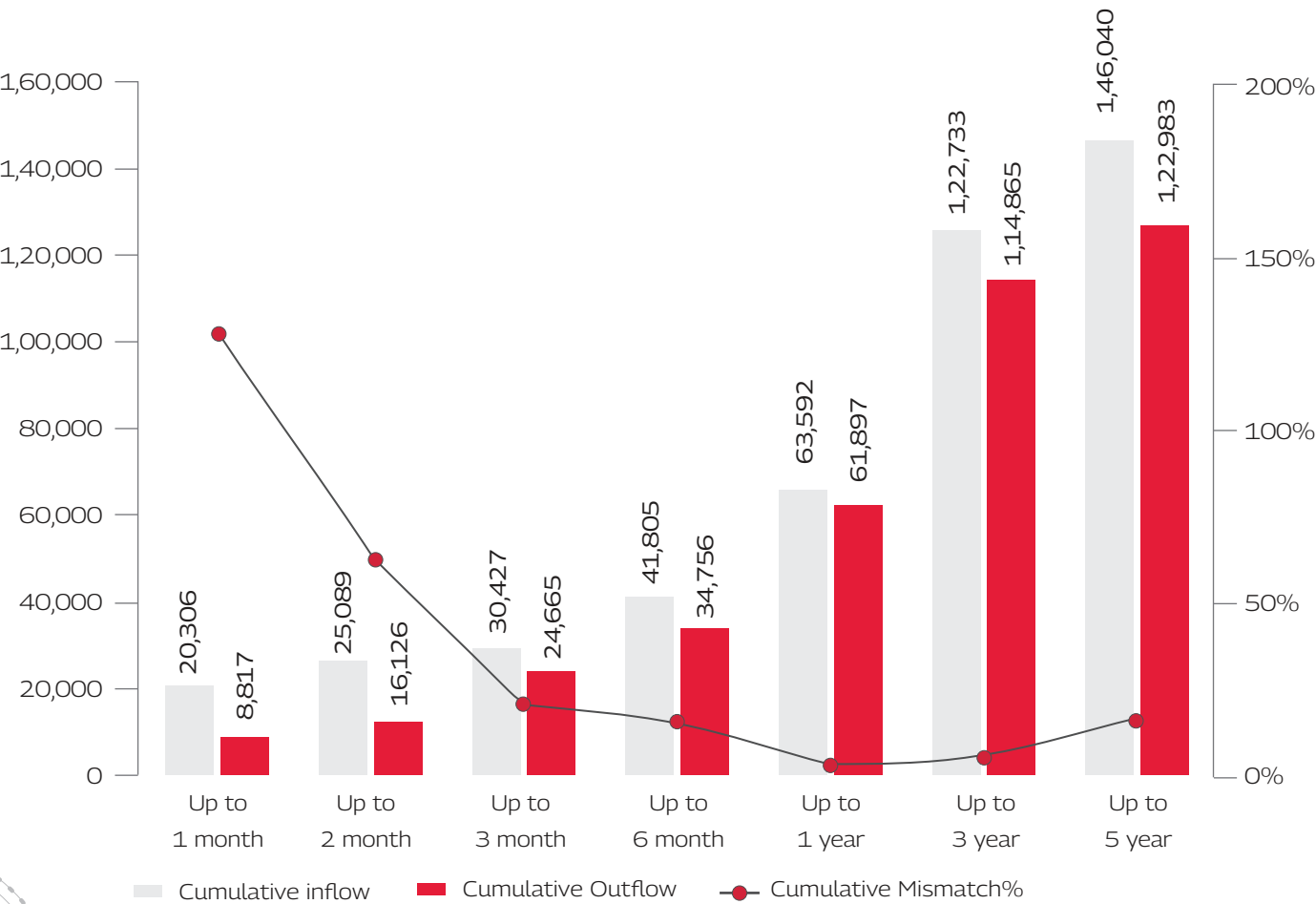
Liquidity remained strong through the year. In addition to undrawn sanctioned lines, the Company held cash and liquid investments of over ₹9,150 crore as of March 2026. The liability profile remained broad-based across banks and financial institutions, mutual funds, insurance and pension funds, FIIs, corporates, fixed deposits, securitisation and market instruments.

Approximately 40% of total borrowings were at floating rates as of March 2026.

The Company continued to maintain an active Asset Liability Management framework to manage liquidity and maturity risks. Its diversified funding base and strong credit ratings enable competitive access to capital and support long-term business resilience.

ALM Position and Liability Maturity

(All figures in ₹ crore)



Economic Value Generated and Distributed

Mahindra Finance's value creation model is designed to deliver sustainable returns while distributing economic value across stakeholders. In FY2026, the Company generated economic value through its lending, fee-based, and investment activities, while distributing value through operating expenditures, employee wages and benefits, payments to capital providers, tax contributions, and community investments. The economic value retained supports future growth, capital strength and continued investment in technology, people and governance.

(₹ in crore)

Economic Value Generated and Distributed (EVG&D)	FY2026 (Ind-AS)	FY2025 (Ind-AS)
Economic Value Generated		
a) Revenue	18,500.28	16,074.69
Economic Value Distributed	16,760.53	14,532.74
b) Operating cost*	4,363.30	3,092.80
c) Employee wages and benifits	2,054.17	1,903.13
d) Payments to providers of capital	9,404.85	8,676.94
e) Payments to government	890.40	802.23
f) Community investments	47.80	57.65
Economic Value Retained <i>(Calculated as economic value generated less economic value distributed)</i>	1,739.75	1,541.95

*Includes exceptional items

Shareholder Returns

The Company continued to create value for shareholders through improved earnings, stronger book value and a higher dividend payout. Basic EPS improved to ₹20.35, compared with ₹18.43 in FY2025, while book value increased to ₹178.1 per share, compared with ₹160.4 in the previous year. The Board recommended a dividend of 375%, compared with 325% in the last financial year, reflecting management's confidence in the Company's financial strength and sustainable growth trajectory.



Subsidiaries and Associates Value Creation

The subsidiaries and associates contributed to Mahindra Finance's broader value creation agenda. Mahindra Rural Housing Finance Limited grew its net loan book 21% year-on-year to ₹8,320 crore, while PAT turned positive at ₹58 crore, and Gross Stage 3 improved to 2.39%. Mahindra Insurance Brokers Limited delivered 14% growth in net premium to ₹4,590 crore and 28% growth in PAT to ₹114 crore. Mahindra Ideal Finance Limited in Sri Lanka grew loan assets by 89% and PAT by 250%, while Mahindra Manulife Investment Management reported 19% growth in average overall AUM and became profitable.

Value Creation Dashboard

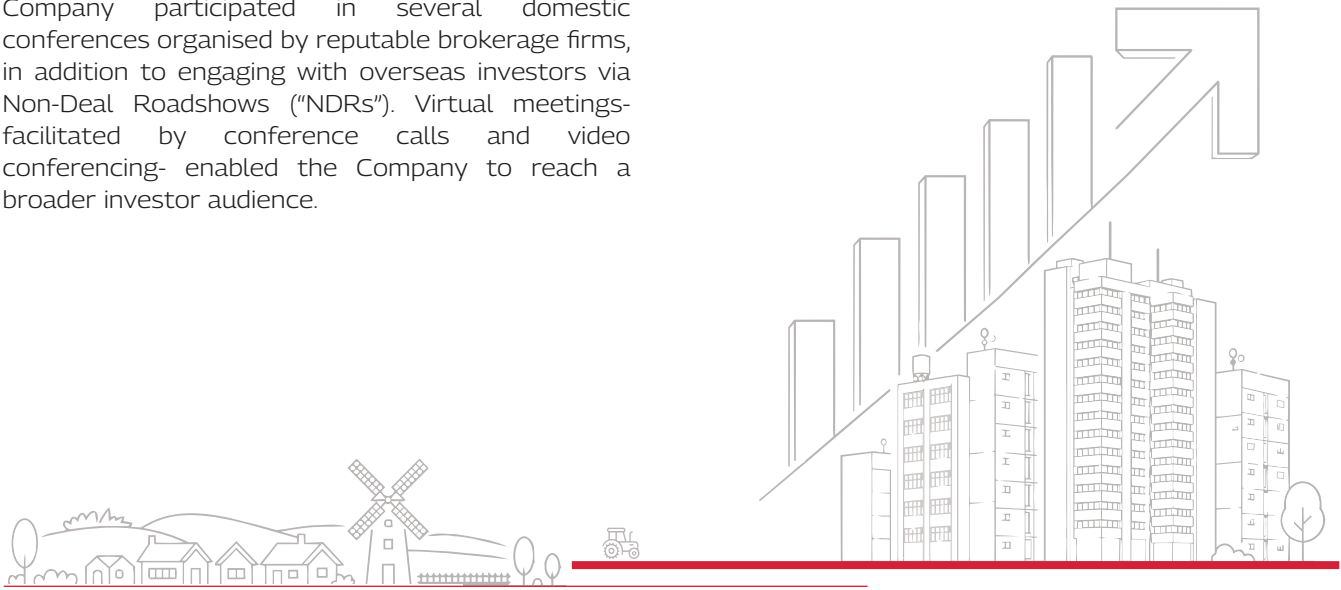
Entity	FY2026 value creation highlight
 MRHFL	57% YoY growth in loans disbursed
 MIBL	21% YoY growth in total income
 MIFL, Sri Lanka	101% YoY growth in loans disbursed
 MMIMPL JV	19% growth in average overall AUM

Investor Engagement and Transparency

Mahindra Finance continued to maintain proactive and transparent engagement with investors, shareholders, analysts and other capital market stakeholders. The Company's investor engagement approach is guided by timely disclosures, consistent communication, equal access to material information and strong governance practices.

During the current year, your Company has engaged with numerous investors and analysts, both domestically and internationally. These interactions were conducted through a combination of one-on-one and group meetings. Furthermore, your Company participated in several domestic conferences organised by reputable brokerage firms, in addition to engaging with overseas investors via Non-Deal Roadshows ("NDRs"). Virtual meetings-facilitated by conference calls and video conferencing- enabled the Company to reach a broader investor audience.

The Company adheres to disciplined disclosure protocols, which include observing a silent period prior to the release of financial results, timely dissemination of material information, and strict compliance with regulatory standards. Shareholder concerns are managed through established grievance redressal mechanisms and a dedicated investor relations framework.





Value Created for
PEOPLE

Powering performance through people, culture and capability

At Mahindra Finance, our people are central to how we translate strategy into execution and deliver consistent performance across markets. In a business anchored in trust and service excellence, the strength, readiness, and commitment of our workforce remain fundamental to long-term value creation.



Our approach focuses on building organisational capability at scale while fostering an inclusive and enabling work environment. Through structured investments in learning, leadership development, employee engagement, wellbeing, and workplace safety, we continue to strengthen workforce readiness and align individual growth with business priorities.

Material Issues Addressed

- Human capital
- Diversity, Equity & Inclusion Initiatives

Capital Impacted

- Human capital

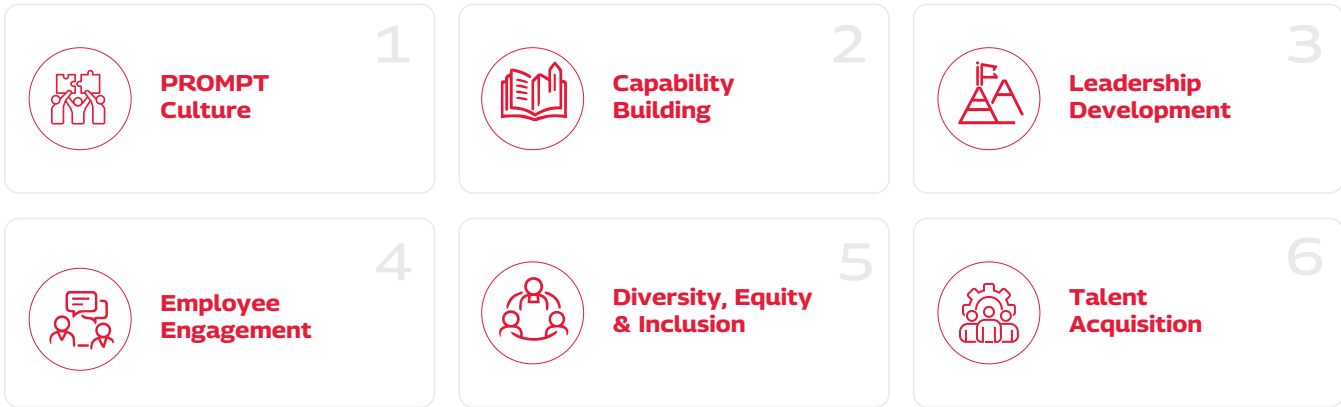
During FY2026, we continued to strengthen a listening-led and inclusive culture while encouraging confident adoption of technology across the organisation. Focused efforts towards digital awareness and ease of adoption helped create an environment where employees could embrace technology with greater openness, agility, and confidence.

SDGs impacted



FY2026 People Priorities: Empowering Our People To Rise

Mahindra Finance's FY2026 people strategy focuses on strengthening organisational capability, building leadership depth, and enabling an inclusive and high-performing workplace.



PROMPT Culture

Embedding a shared behavioural framework across the organisation

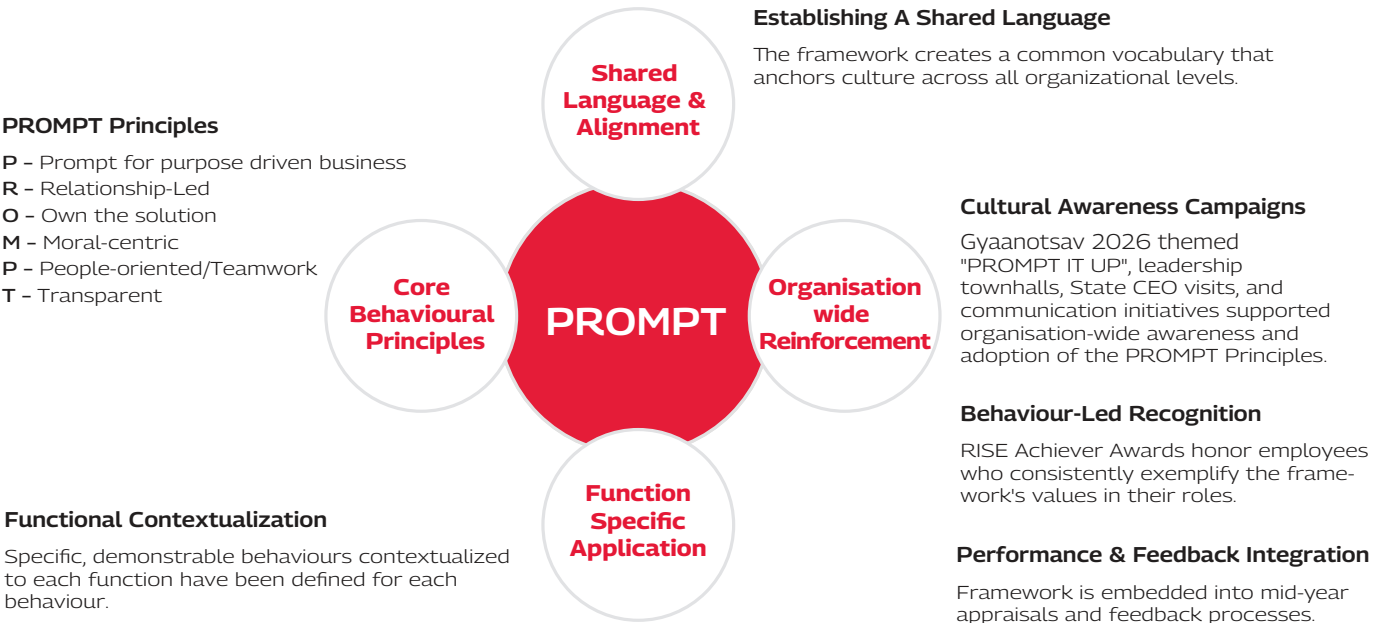
At Mahindra Finance, culture is shaped by the behaviours that guide how work is carried out, decisions are made, and teams collaborate across the organisation. Establishing clarity in expected behaviours supports consistency in how employees contribute across roles and functions.

To strengthen behavioural alignment, the organisation has introduced PROMPT Principles as a common framework guiding how employees approach their roles, interactions, and decision-making. PROMPT Principles were introduced in FY2025, with the cascade across businesses and functions commencing during the year and the organisation-wide rollout being completed in FY2026. The framework provides a shared reference for expected behaviours across teams and functions.

During the year, focused efforts were undertaken to contextualise PROMPT Principles across businesses through leadership-led sessions, organisation-wide communication, and structured reinforcement initiatives. The principles have also been integrated into key people processes, including performance management, feedback mechanisms, talent acquisition and confirmation processes, and recognition and rewards, ensuring behavioural expectations are consistently reinforced across the organisation.

Prompt Principles: Anchoring Our Culture

Introduced in FY2025, the PROMPT Principles establish a common language for how employees collaborate, make decisions, and contribute across the organisation.



Capability Building

Building organisational capability through structured, role-aligned learning

At Mahindra Finance, learning and capability building initiatives are aligned with business priorities to strengthen role effectiveness, enhance productivity, and improve customer experience. Capability building is delivered through a combination of functional, managerial, leadership, and behavioural learning interventions.

These programmes are designed to strengthen domain expertise, people management capability, leadership readiness, and alignment to shared organisational behaviours, enabling employees to perform effectively across roles and responsibilities.

Capability Building Approach

Mahindra Finance builds organizational strength through a multi-tier capability building framework, aligning role-based functional training with a structured leadership pipeline to translate learning into tangible business results and enhanced customer experience.

a) Functional Capability

Role-based learning interventions across functions to strengthen execution, domain expertise, and customer-facing effectiveness.

b) Behavioural Capability

Initiatives anchored in the PROMPT Principles to strengthen behavioural alignment, reinforce shared expectations, and embed desired behaviours through leadership communication, contextualisation efforts, and recognition mechanisms.



c) Managerial Effectiveness

Programmes designed to enhance people management capability, improve team performance, and align execution with business goals.



Capability building through targeted interventions

During the year, Mahindra Finance drove focused capability-building initiatives aligned with key business priorities:

Digital & Process Capability (MTEZZ) Enabled frontline teams to adopt new application systems, improving processing efficiency and customer turnaround time.	Productivity & Sales Capability (ELEVATE) Strengthened sales management, dealer engagement & credit appraisal capabilities, improving funnel efficiency and disbursal outcomes.	Customer-Centric Capability (Customer First Programme) Instilled a customer-centric mindset among branch & field teams, enabling improved understanding of customer needs, stronger service delivery, & contributing to reduction in customer complaints.
Leasing Capability (LeaseWise) Enhanced sales and service capabilities through improved role clarity, communication, and customer handling, contributing to improved lead conversion efficiency.	Insurance Capability (InsurEdge Programme) Strengthened product understanding and sales effectiveness in insurance distribution through structured training and certification.	Compliance Capability (SP Licensing) Improved regulatory readiness, with certification programmes strengthening compliance and reducing operational risk.

Leadership Development

Strengthening talent process & building a future-ready leadership pipeline

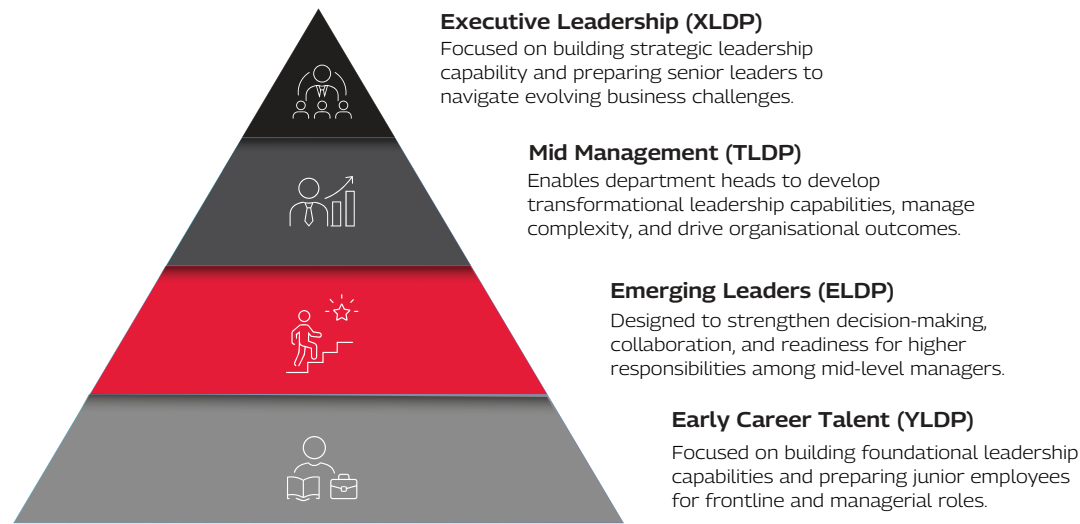
At Mahindra Finance, talent management is focused on identifying, nurturing, and advancing talent across organisational levels to build a strong pipeline of future-ready leaders. The approach is anchored in structured development journeys, leadership programmes, and role-based progression frameworks that enable employees to grow into higher responsibilities. The organisation follows a tiered talent management framework aligned to organisational bands, ensuring that development interventions are tailored to career stages and leadership expectations.

Talent development is supported through structured assessment and leadership development processes that help identify high-potential employees and prepare them for expanded responsibilities. Leadership programmes are designed as progressive learning journeys that combine learning interventions, mentoring, and business exposure to strengthen leadership capability across organisational levels.

The organisation also promotes internal mobility through structured role movements and leadership development pathways, enabling employees to take on broader responsibilities and supporting continuity in leadership pipelines.

Leadership Development Approach

Mahindra Finance adopts a structured leadership pyramid to build capability across levels, ensuring a continuous pipeline of leaders equipped to manage complexity and drive business outcomes.

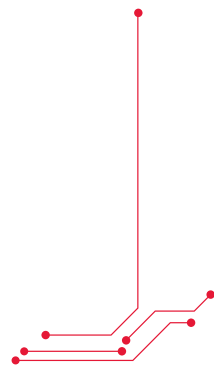


This structured approach ensures continuity in leadership development while aligning talent progression with organisational needs.

Employee Engagement & Experience

Fostering connection, participation and a culture of recognition

At Mahindra Finance, employee engagement is anchored in the CARE philosophy - Connect, Appreciate, Recognise and Empower. Through initiatives such as the State CEO Program, MForward, Quarterly Leadership Townhalls and other business connect forums, employees are exposed to meaningful opportunities for dialogue, collaboration, and recognition. All these forums complement the annual engagement surveys, regular branch visits by employees to strengthen on-ground engagement and real-time feedback. Furthermore, events like FSS Sports League, Founder's Day, Shubh Utsav, festival celebrations and wellness sessions provide opportunities to interact beyond the day-to-day roles.



Health & Safety

Ensuring a Safe & Responsible workplace

At Mahindra Finance, we are committed to maintaining a workplace that supports the health and safety of the employees. Our approach combines structured safety practices with robust policies and governance frameworks that promote a secure and supportive work environment across locations. Health and safety practices are guided by established procedures focused on risk identification, preventive measures and continuous monitoring to address workplace safety requirements.

Our health and safety practices are guided by established policies and procedures designed to ensure a safe working environment across locations. These practices include risk identification, safety measures, and ongoing monitoring to address workplace safety requirements.

300+ offices

HIRA (Hazard Identification) implemented across

Diversity, Equity & Inclusion (DEI)

Enabling equitable participation and fostering an inclusive workplace

At Mahindra Finance, Diversity, Equity and Inclusion (DEI) is an integral part of our people strategy, aimed at creating a workplace where individuals have equitable access to opportunities, feel a sense of belonging, and are empowered to contribute meaningfully. Our approach focuses on strengthening representation, enabling inclusive practices, and building a culture that supports participation and growth across all levels of the organisation.

Strategic Positioning of DEI

We continue to make progress in strengthening workforce representation across the organisation. Overall representation stands at 5.9% in FY2026, reflecting sustained efforts towards inclusive hiring, development, and progression practices.

Representation Across Levels

This progress is also visible across organisational levels, with representation at 27% in the Strategic Band, 15% in the Executive Band, 10% at the Department Head Band and 9% at the Managerial Band. These trends reflect gradual progress towards a more balanced workforce.

Equity Through Policies

Our approach to equity is anchored in policies and practices that support employees across different life stages and personal circumstances. These include maternity transition support, menstrual wellness provisions, childcare allowance, caregiving support, and health-related assistance such as IVF support and counselling. These measures enable employees to manage professional responsibilities alongside personal needs, supporting continuity and participation in the workforce.



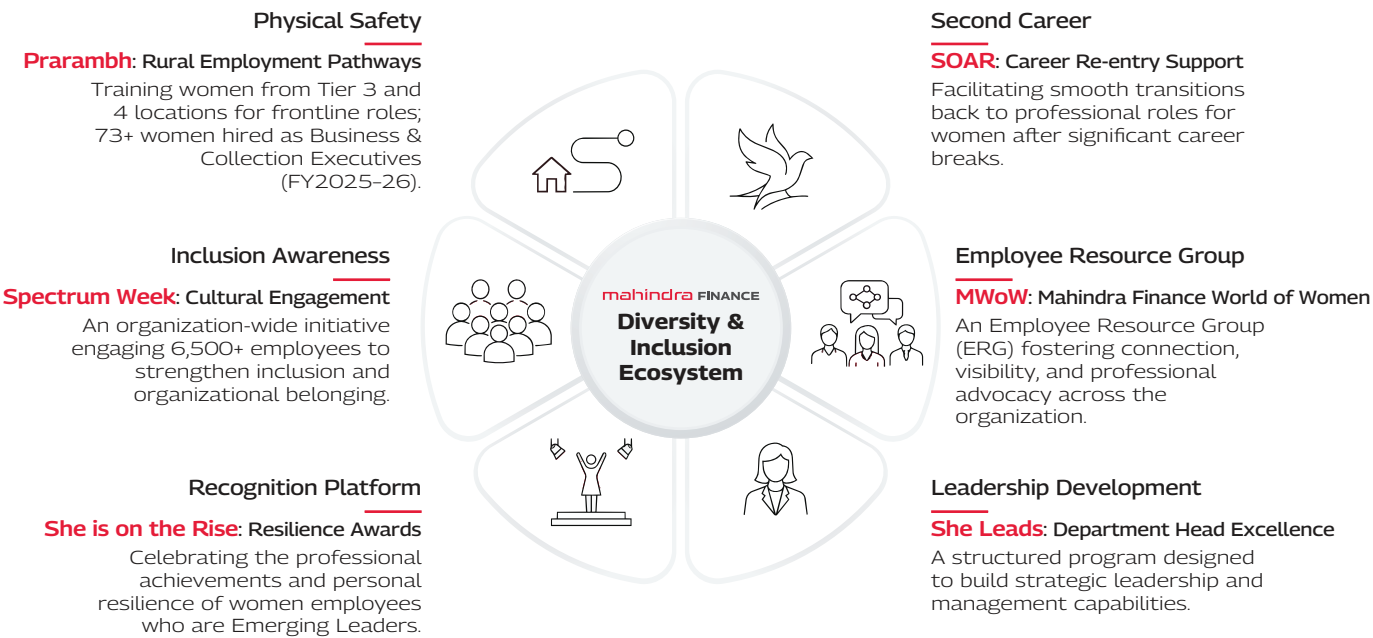
Inclusion in Action

Inclusion at Mahindra Finance is reinforced through targeted programmes that translate intent into everyday workplace experience. Programmes such as Prarambh create employment pathways for women from tier 3 and tier 4 locations, while SOAR supports women professionals returning to the workforce after career breaks.

Leadership-focused initiatives such as She Leads and recognition platforms such as She Is on the

Rise further support visibility and progression for women employees.

Employee-led platforms such as the Mahindra Finance World of Women (MWoW) enable connection, mentorship, and engagement. Initiatives such as Spectrum Week and awareness programmes focused on psychological safety and unconscious bias further strengthen inclusion awareness across the organisation.



Infrastructure & Accessibility

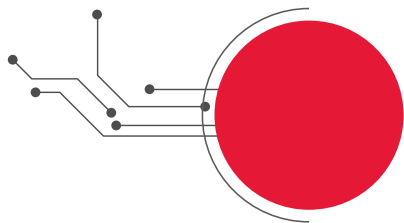
We have also focused on strengthening inclusive infrastructure across our network supporting dignity and comfort for the employees.

Inclusion Experience

Employee perception continues to reflect positive progress in inclusion with the inclusion score being 4.45.

Outcomes & Impact

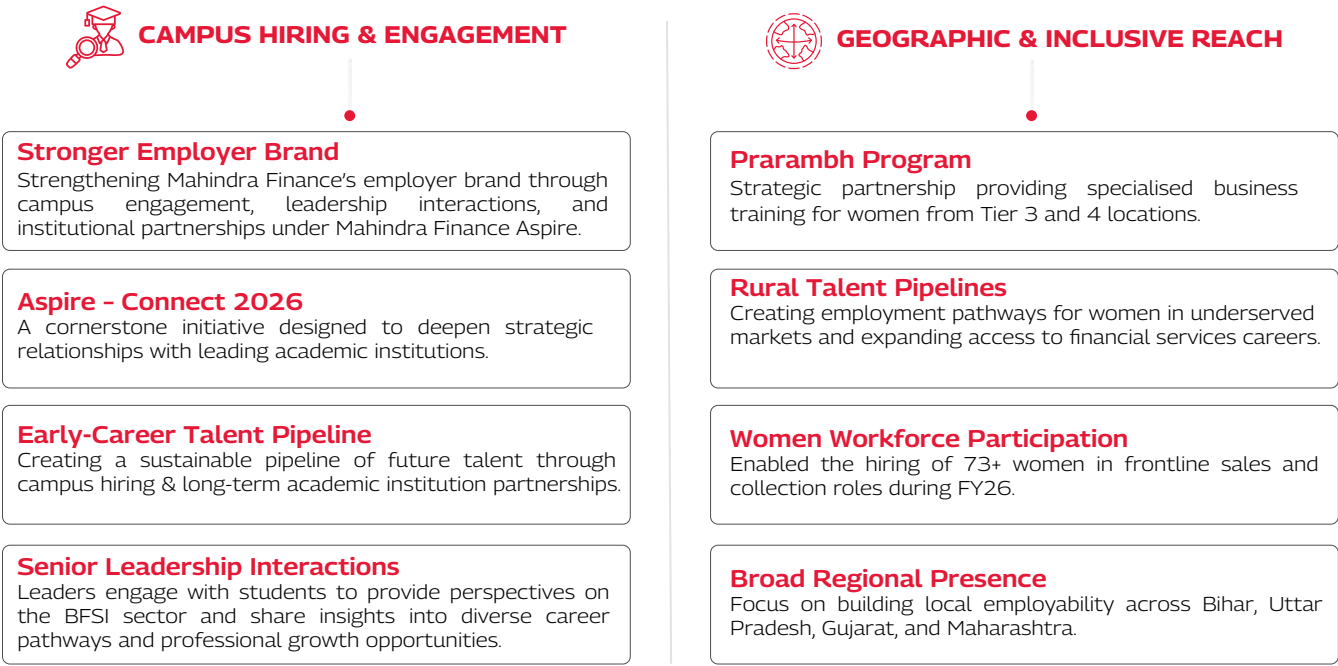
Collectively, these initiatives have strengthened representation, improved inclusion experience, and enabled greater participation across the organisation.



Talent Acquisition

Building a strong and diverse talent pipeline

At Mahindra Finance, talent acquisition is focused on building a future-ready workforce through a balanced approach that prioritises internal mobility while selectively hiring for specialised capabilities and business growth. Internal job postings (IJPs) and structured role movements enable employees to explore opportunities across functions and geographies, supporting capability development, organisational continuity, and a strong talent pipeline.



Workforce Demographics at a Glance

Mahindra Finance's workforce profile reflects the scale and diversity of its operations across geographies and business functions. The table below presents the demographic composition of the workforce across gender, management levels, and age groups for FY2025-26.

Category	Workforce Demographic	FY2025-26
Gender	Male Employees	21,301
	Female Employees	1,336
Workforce Level	Senior Management	101
	Middle Management	2,408
	Junior Management	20,128
Age Profile	Employees aged (<30 years)	5,363
	Employees aged (30-50 years)	16,787
	Employees aged (>50 years)	487
Total Workforce		22,637



VALUE CREATED FOR ENVIRONMENT

Material Issues Addressed

- Emissions and Climate Change

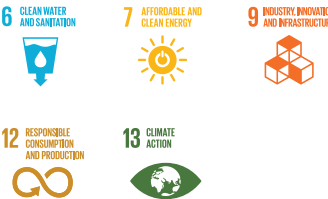
Natural Capital Impacted



Key Risks Considered

- Brand reputation risk as a responsible organisation
- Increased risks from climate hazards
- Increased regulatory scrutiny from unsustainable use of resources

SDGs Impacted



Scope Emissions
(aligned to declared 'SBTi Near Term' targets)

Absolute Emissions
1,212 tCO₂e
Percentage Reduction **4%**

An absolute emission reduction of 1,200+ tCO₂e between FY2025 and FY2026 towards the SBTi Near Term targets declared for FY 2032 ensuring the Company is on track. **Scope 3 targets (tCO₂e/capita) for FY2032 were met in FY2026.**

Renewable Energy Adoption

3,700+ GJ
Increase in renewable energy

Renewable energy was adopted in two of the highest energy consuming offices of Mahindra Finance resulting in a 3,700+ GJ increase in electricity obtained from renewable sources year-on-year. As of FY2026, 7% of all electricity consumed by Mahindra Finance comes from renewable sources.

Climate Action

58%
of climate actions completed as of FY2026.

A climate action plan developed in FY2024 based on climate change scenario modelling of 1300+ Mahindra Finance offices with flood, cyclone and heat climate hazards. Actions including upgrading climate-resilient infrastructure, early warning systems, climate hazard checks in site selection, disaster management, business continuity planning and moving of offices were recommended as actions for the Company by third-party assessor.

Water Conservation

17%
reduction in water consumption in a 3-year period

Water conservation initiatives in Mahindra Finance offices including low-flow aerators, motion sensor faucets and waterless urinals have contributed to a reduction of water consumption.

Mahindra Finance has disclosed its environmental footprint namely, electricity consumed, water conserved and waste generated since FY2020 as part of its annual report. In FY2023, the Company declared its Near Term targets for scope emissions (1-3) through Science Based Targets initiative (SBTi) with a target year of FY2032. This section defines the processes and outcomes of actions taken for reducing the environmental footprint and incorporating climate change considerations into the business operations.

Environmental Footprint Reduction

The reduction of environmental footprint consists of the following categories:



Electricity

- Grid-based electricity being tracked and disclosed by the Company. In FY2025, Mahindra Finance also started procuring and disclosing renewable energy consumption.



Water

- Water consumption is being tracked and disclosed by the Company.



Waste

- Waste streams generated are being tracked and disclosed by the Company. The waste streams include electronic waste (e-waste), biodegradable waste and non-biodegradable waste (including plastic waste).



Scope 1 Emissions

- Emissions from Company-owned assets ("direct emissions") including company-owned vehicles, employee-availed car reimbursement provisions* and Diesel Generator (DG) sets.



Scope 2 Emissions

- Emissions from Company-purchased assets ("indirect emissions") including grid-based electricity.



Scope 3 Emissions

- Emissions from Company's value chain ("indirect emissions from value chain") including purchased capital goods, business travel and waste management processes.



Refrigerants

- Emissions from refrigerant filling in heating, ventilation and air conditioning (HVAC) systems. Refrigerants have been separated from scope emissions in this section of the report to showcase progress towards the declared FY2032 targets.

*The employee-availed cars are taken on the Company's name throughout the reimbursement period and have therefore been classified as a company-owned asset for the payment period. When the vehicle is paid for in full by the employee, the vehicle is transferred back to the employee and is removed from the Scope 1 calculations for the Company

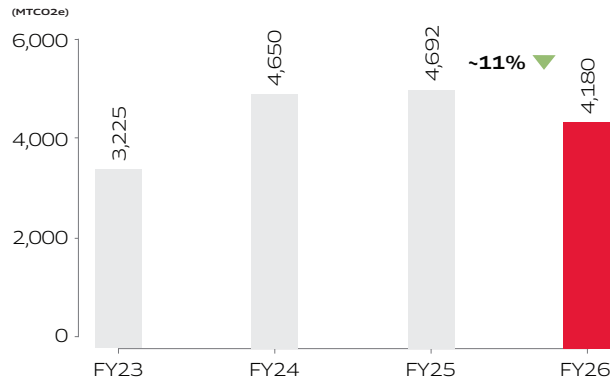
Scope Emissions

Mahindra Finance has declared its 'Near Term' targets with Science Based Targets initiative (SBTi) in FY2023

- 50.4% reduction in Scope 1 and Scope 2 by FY2032 compared to FY2023 baseline values
- 58.1% per capita reduction in Scope 3 by FY2032 compared to FY2023 baseline values

The targets that were declared were a consolidated target for Mahindra Finance and two subsidiaries namely, Mahindra Rural Housing Finance Limited (MRHFL) and Mahindra Insurance Brokers Limited (MIBL). The data provided in the graphs for Scope 1, 2 and 3 is therefore consolidated for all 3 entities.

Scope 1 Emissions
(MTCO₂e)



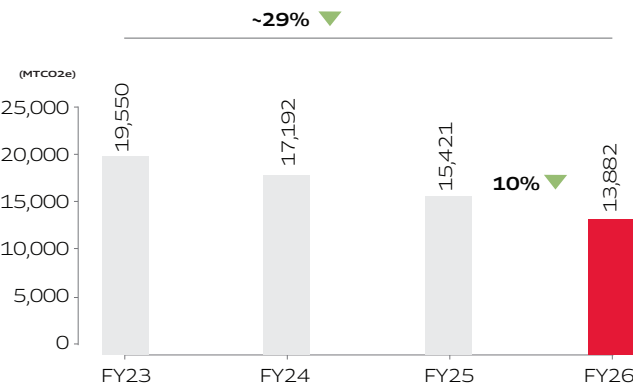
1,600
TARGET FOR FY2032 (Absolute)

Key Initiatives

- EVs introduced in 'Vehicle Policy'
- 350% increase in EVs adopted year-on-year
- 2X increase in CNG and hybrid vehicles adopted year-on-year

Note: Scope 1 includes company-owned vehicles, CTC vehicles (provided as an employee benefit) and DG set operations.

Scope 2 Emissions
(MTCO₂e)



9,697
TARGET FOR FY2032 (Absolute)

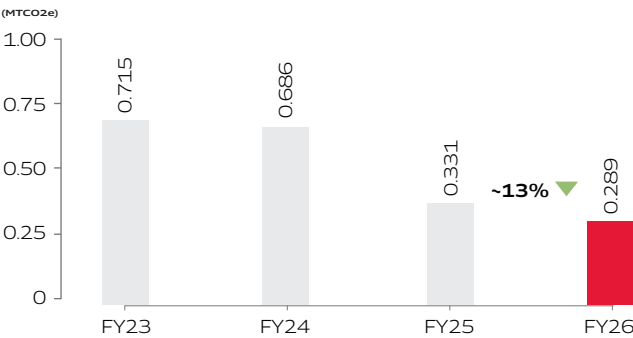
Key Initiatives

- 80% offices installed BLDC fans
- 100% offices installed LED lights
- 60% offices installed 5* BEE rated air conditioners

Scope 3 Emissions
(MTCO₂e / EMPLOYEE)

Target Achieved

Scope 3 Intensity (MTCO₂e/employees) target for FY2032 (0.300) has been met in FY2026 (0.289)



0.300
TARGET FOR FY2032 (Intensity)

Key Initiatives

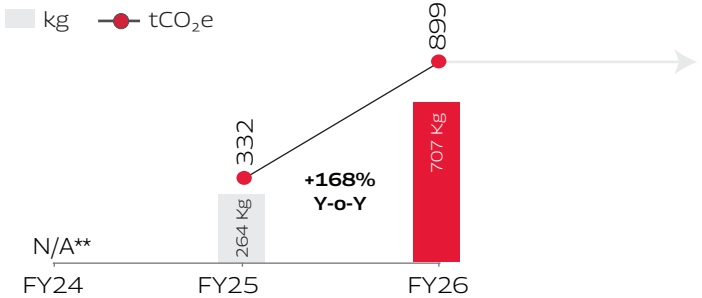
- Zero-waste-to-landfill followed since FY2024
- 13,445 kg of paper waste recycled
- 193 kg of recycled wheat-based paper purchased

Note: Includes Category 1 ("Purchased Goods and Services"), Category 5 ("Waste Generated in Operations") and Category 6 ("Business Travel").



Refrigerants
(kg, tCO₂e)

Refrigerants Filled



VENDOR CONSOLIDATION

Localized refrigerant vendors were shifted to national carriers to improve the reporting on refrigerants filled and increase accuracy of data reported.

Key Initiatives

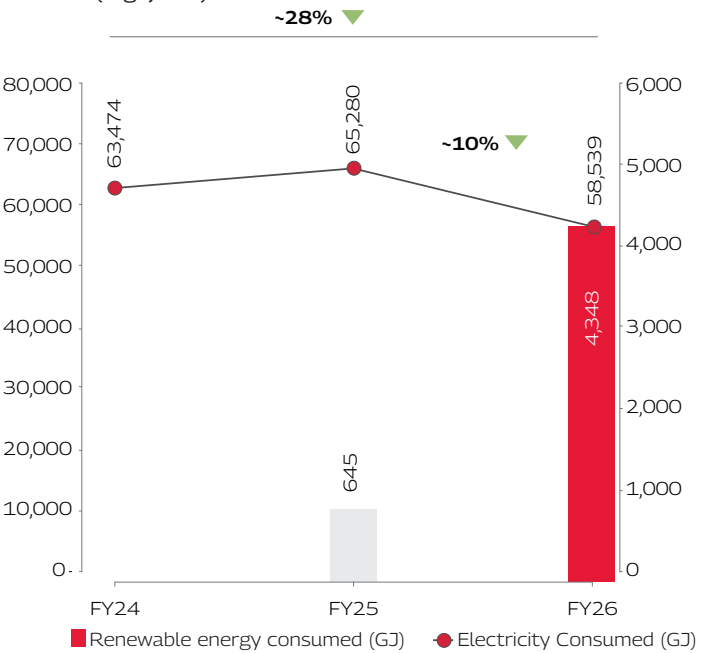
- Phase-out plan defined from FY2026-32 to shift towards lower GWP refrigerants
- All new/replacement machines use only lower GWP refrigerants

Note:

(*) The refrigerant data provided is a composite number of R22, R32, R410 and R407C gases with the tCO₂e using the weighted individual Global Warming Potentials (GWPs) of the refrigerants to estimate the total tonnes generated.

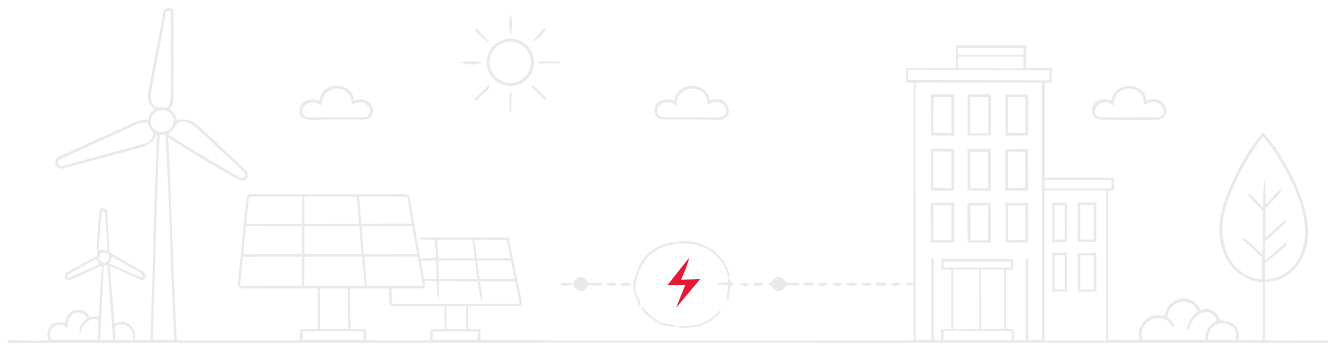


Electricity Consumption
(Gigajoule)



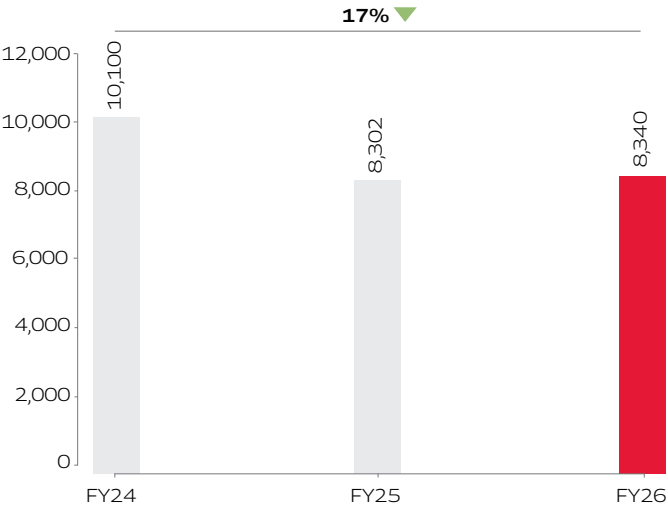
Key Initiatives

- 19% reduction in energy consumption from energy efficiency technology
- Training and awareness programs for energy conservation
- Work-from-home provisions
- Motion sensor lighting in conference rooms and work stations
- Green tariff purchase in Mahindra Finance head office
- Wind power procured in Chennai Circle Office





Water Stewardship
(Kiloliter)

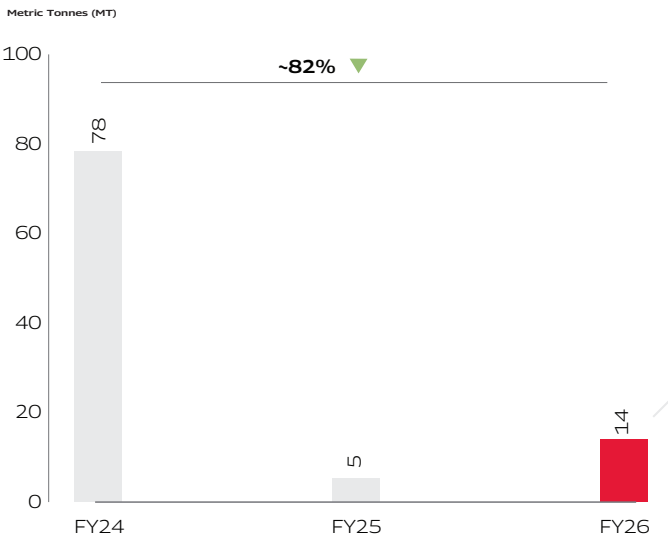


Key Initiatives

- Low-flow aerators, motion sensor faucets and waterless urinals installed
- No direct abstraction of groundwater sources.



Waste Management
(Metric Tonnes)



Key Initiatives

- Reduction of single-use plastics
- Limiting of packaging waste

E-waste has increased by 9MT year-on-year due to a one-time event of replacing desktop computers across office locations

Climate Change Action

Mahindra Finance Sustainability Department undertook a climate change scenario analysis using the Intergovernmental Panel on Climate Change (IPCC) Representation Concentration Pathways (RCP) worst-case scenario [RCP 8.5] in FY2023 to evaluate climate hazard risks in 1,300+ offices. The scenario analysis focused on evaluating quantitative data for flood, cyclone and extreme heat. A summary of the climate action plan and status as of FY2026 has been presented in the table below.

Risk type	Actions undertaken	Status In FY2026
 Flood	- Water proofing of critical infrastructure in MMFSL offices - Shifting of offices at the end of lease cycle from flood prone areas - Upgrade and monitoring of internal and external drainage systems	60+% of affected offices have their critical infrastructure waterproofed by FY2026 100% of the branches that have changed locations at the end of their lease cycle in FY2024-26 have been evaluated for flood hazards as a sourcing decision ~58% of branch internal drainage systems upgraded and monitored by FY2026
 Heat Waves	- Provision of air conditioners in all heat prone branch offices; and - Addition of water cooler infrastructure in heat prone branch offices	100% of the heat-prone branch offices have installed water cooling infrastructure 80+% of heat prone branch offices have been fitted with air conditioners
 Cyclones	Review of structural stability of offices in cyclone-prone areas	Feasibility is in process and the structural stability review is proposed in the coming financial years
 Across All Risk Types	- Quarterly risk assessment of disaster-prone offices - Inclusion of climate hazard data in site selection process - Update to Disaster Management Plan (DMP) and Business Continuity Plan (BCP) to capture emergency response procedures in the case of a climate event - Tie-up with disaster response agencies and display of emergency numbers in MMFSL offices - Implementation of early warning systems through a subscription-based third party app - Quarterly safety committee meetings to discuss climate-related agenda items	100% of the actions identified across the hazards have been undertaken in FY2026



Value Created for COMMUNITY

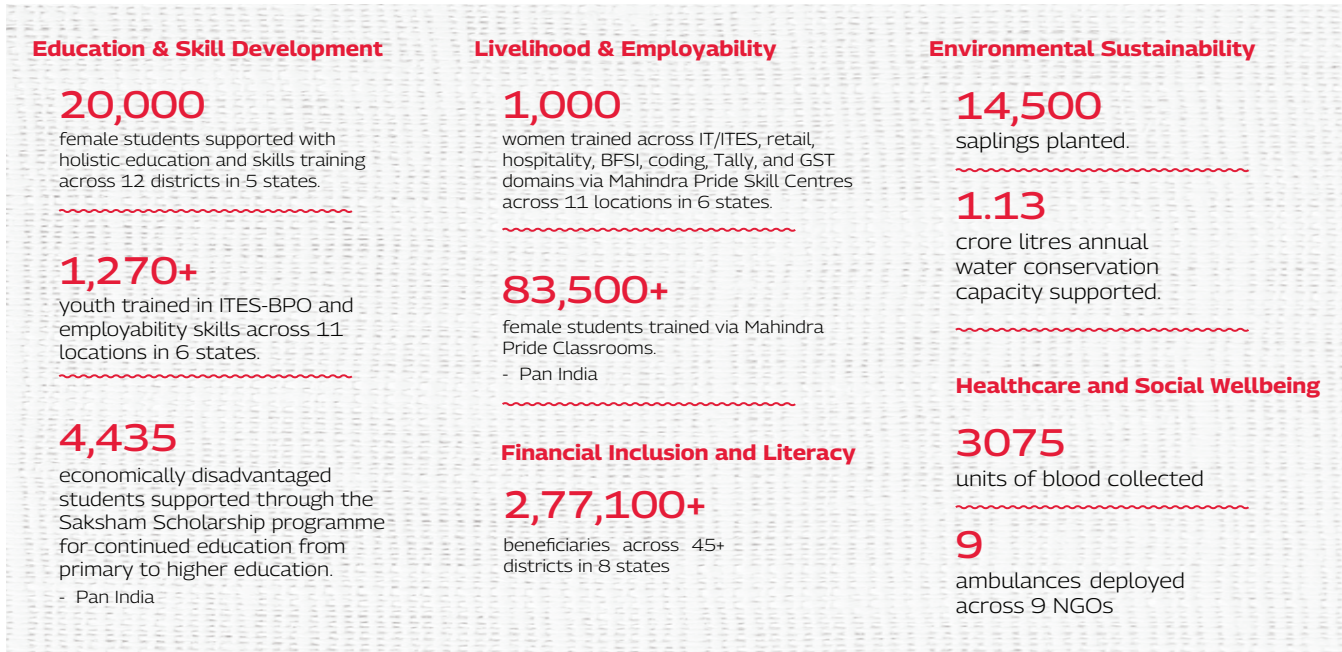
ENABLING INCLUSIVE GROWTH

Inclusive growth is driven through decisive on-ground action. **#TogetherWeRise** defines our approach to community engagement, ensuring focus, consistency, and measurable outcomes. We work closely with communities with limited access to opportunities to expand reach, build capabilities, and enable sustained socio-economic progress.

With a strong presence in rural and semi-urban India, we address structural challenges such as financial exclusion, limited employability, and gaps in essential services. Our efforts are delivered through targeted interventions and strategic partnerships across financial inclusion, education, livelihoods, healthcare, and environmental sustainability. In FY2026, these initiatives created consistent, multi-regional impact across the communities we serve.



Our Community Outreach



Capital Impacted

- Social and Relationship Capital

Key risks considered

- Women empowerment
- Livelihood and skilling
- Quality education
- Water scarcity
- Financial and digital literacy

Material issues addressed

- Diversity, Equity and Inclusion
- Responsible Products and Services

SDGs impacted



Our Strategic CSR Focus Areas

Our CSR initiatives are anchored in clearly defined focus areas that guide the design, implementation, and monitoring of programs. These focus areas are aligned with national priorities and are aimed at addressing key barriers to inclusive and sustainable development across the communities we serve.

Education & Skill Development

We focus on improving access to quality education and strengthening future-ready capabilities among underserved communities, including children, youth, and women. Our initiatives emphasise foundational learning, digital skills, and pathways that support long-term employability.

Financial Inclusion & Literacy

We undertake financial and digital literacy initiatives to address awareness gaps and promote responsible financial behaviour. These programs enable underserved communities to access formal financial systems and participate more effectively in the economic mainstream.

Livelihood & Employability

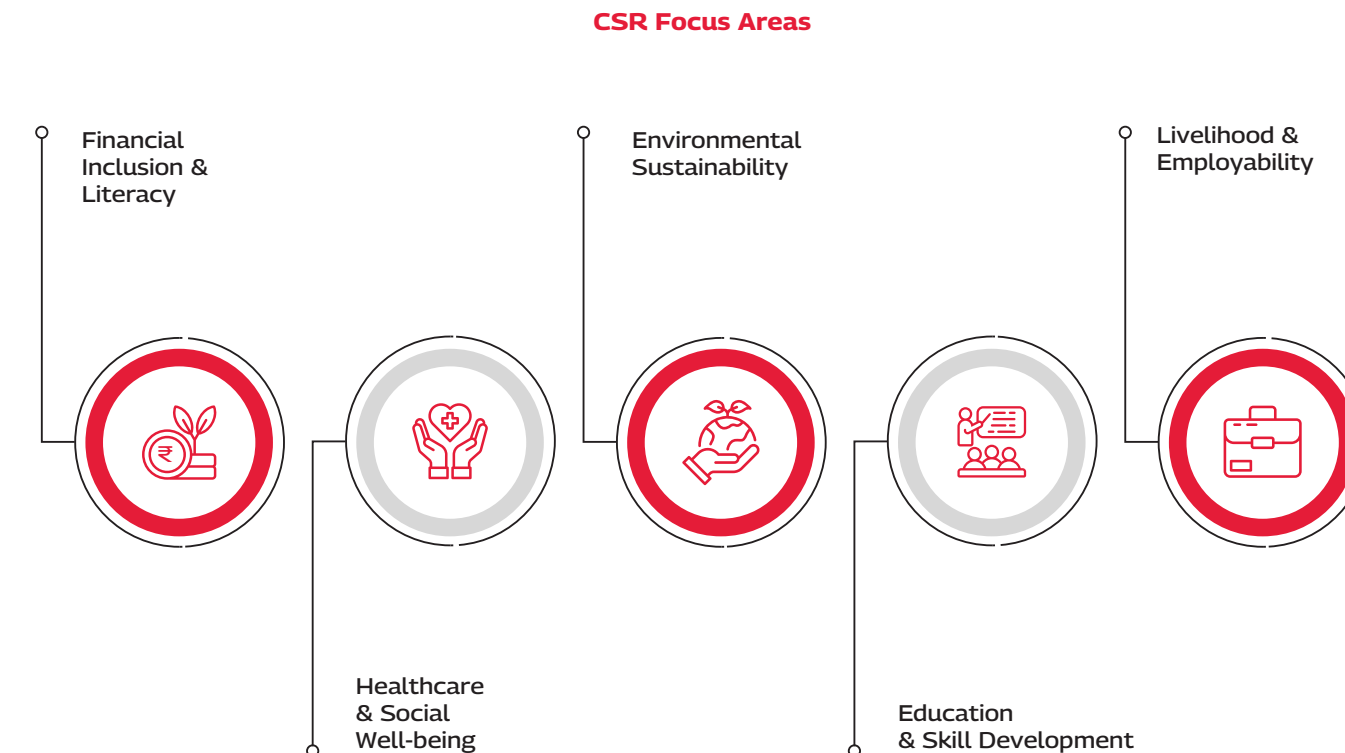
Our interventions are designed to enhance employability and enable sustainable livelihoods by equipping individuals with industry-relevant skills. These initiatives aim to bridge the gap between skill development and access to income-generating opportunities.

Environmental Sustainability

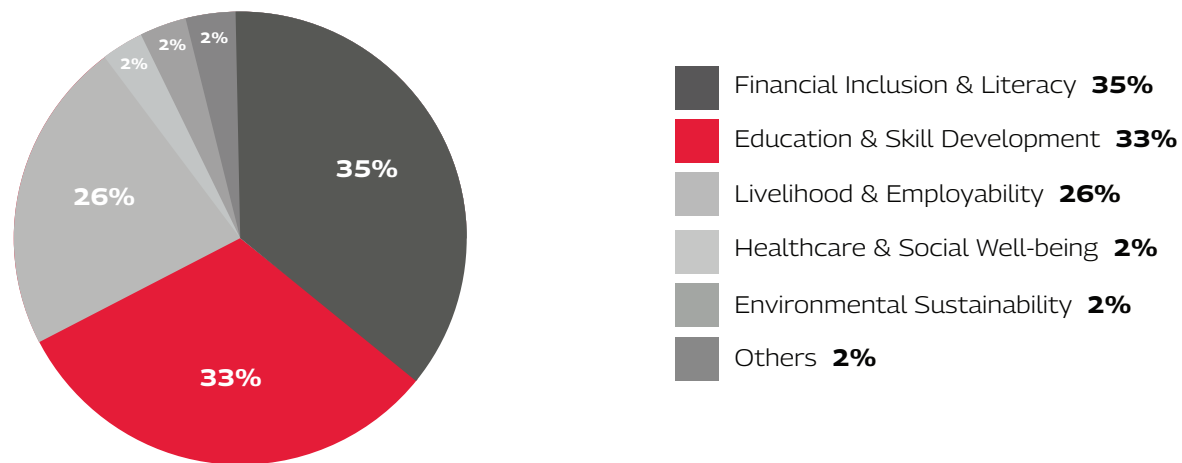
We support environmental sustainability through initiatives focused on natural resource conservation, ecological balance, and sustainable practices, contributing to resilient local ecosystems and long-term environmental well-being.

Healthcare & Social Well-being

Our healthcare initiatives focus on improving access to essential and preventive healthcare services, supporting community well-being, and addressing critical need of access to basic services.

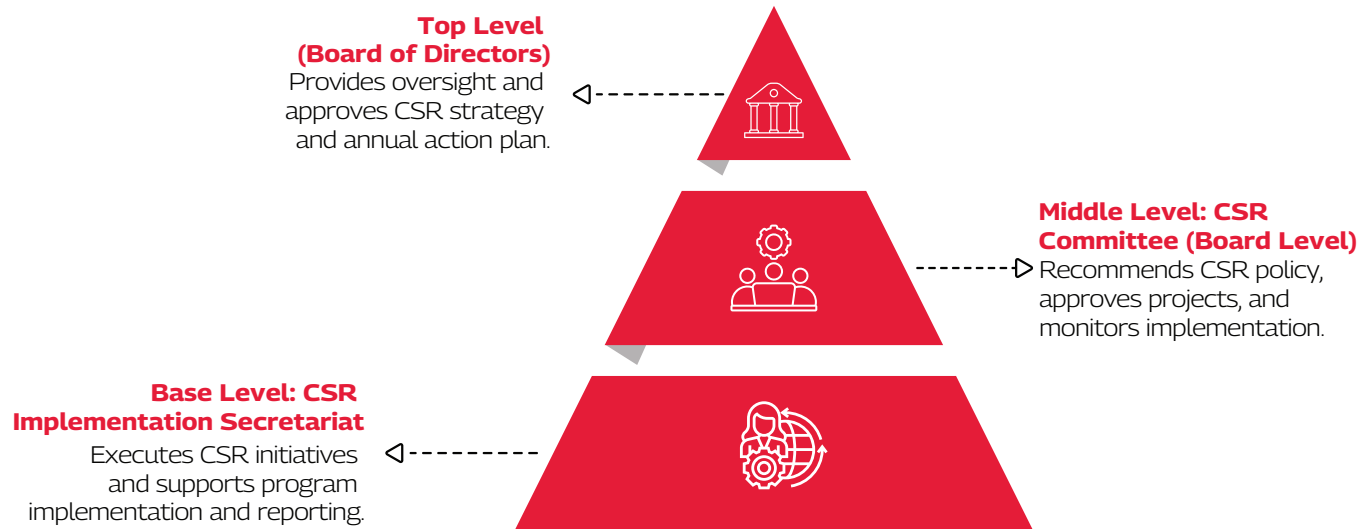


CSR Spend Distribution (FY2025-26)



Our Approach to CSR Implementation

Our CSR initiatives are supported by a structured governance and implementation framework that ensures alignment with regulatory requirements, organisational priorities, and long-term community impact.



CSR Programs and Outcomes

Financial and digital literacy initiative.

Dhan Samvaad

Dhan Samvaad is the Company's flagship financial literacy programme aimed at strengthening financial awareness and decision-making among gig workers, self-employed individuals, and small business owners. The initiative focuses on addressing everyday financial challenges, including money management, savings behaviour, access to formal banking systems, and protection against financial and digital fraud.

The programme is delivered through interactive, on-ground sessions facilitated by trained resource persons. These sessions are designed using participatory learning approaches, including open discussions, real-life examples, and practical guidance. Delivery in local languages ensures that the content remains simple, relatable, and aligned with the needs of participants across diverse regions.

The initiative is aligned with the Reserve Bank of India's Financial Literacy Vision 2025 and national priorities such as Digital India and Viksit Bharat. It also focuses on improving access to government-supported financial and social security schemes, along with hands-on support for the use of digital tools such as DigiLocker.

Launched in FY2024, the programme advances financial literacy, digital adoption, and access to formal financial systems.

2,77,100+ beneficiaries
Across 45+ districts in 8 states

Women Entrepreneurship Empowerment **38%** women participation

Digital Identity Adoption **84%+** DigiLocker adoption

Access to Social Security Schemes: **80%** beneficiaries linked to social schemes



Livelihood & Employability Initiatives

Structured employability training for women

Mahindra Pride Classroom (MPC)

Mahindra Pride Classroom (MPC) focuses on preparing final-year female students from government & government-aided institutions, polytechnics, and industrial training institutes for entry into the workforce. The programme aims to bridge the gap between academic learning and employment by building essential workplace skills.

To support employment outcomes, the programme incorporates a tech-enabled placement platform, 'Job Utsav', which connects trained candidates with employers across sectors. This enables placements aligned with the participants' academic background and skill sets.

Training is delivered through structured modules of 40 to 80 hours, covering life skills, language proficiency, and aptitude development. The programme is implemented across classrooms and employer-linked environments, ensuring alignment with workplace expectations.

83,500+ female students trained
Sector-focused skill training with employment linkage

Mahindra Pride Skill Centres (MPSC)

Mahindra Pride Skill Centres (MPSC) focuses on providing structured training to women across sectors such as IT/ITES, retail, hospitality, BFSI, coding, and finance-related domains including Tally and GST.

The programme combines technical training with employability skills, addressing the evolving requirements of the job market. Training modules are designed to build both domain knowledge and workplace competencies. The programme emphasises placement-linked training, enabling participants to access employment opportunities and supporting their transition into income-generating roles across sectors.



ITES-BPO focused workforce development

Employability Skills Training Programme

The Employability Skills Training Programme focuses on enhancing employment prospects for youth through structured training in IT-enabled services (ITES) and business process outsourcing (BPO) roles.

The programme delivers industry-aligned training covering domain knowledge and soft skills, supported by a network of employers to facilitate placements. This programme is supporting youth in accessing employment opportunities aligned with industry requirements.



Education & Skill Development Initiatives

Project Nanhi Kali

Project Nanhi Kali supports girls studying in Grades 6 to 10 by providing life skills, digital skills, and financial literacy training, along with academic support to strengthen learning outcomes.

The programme focuses on building competencies such as critical thinking, communication, and self-awareness, while also addressing gender-related challenges. Training is delivered during school hours to ensure structured and consistent engagement.

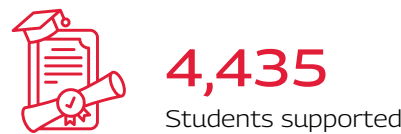
A dedicated sports education module is included to promote physical well-being, leadership, teamwork, and discipline among participants. The programme supports the transition of students from school to higher education and future livelihood pathways by strengthening both academic and life skills.



Financial support for continued education
Saksham Scholarship

The Saksham Scholarship programme provides financial assistance to students from economically disadvantaged backgrounds to support their education from primary schooling through higher education.

The programme is open to students from Classes 1 to 12, as well as those pursuing graduation and postgraduation. Financial assistance is provided as one-time support to help students continue their academic journey.



The programme focuses on removing financial barriers to education, enabling continuity in learning and supporting long-term academic and career aspirations.

Healthcare & Social Well-being Initiatives

Improving access to emergency and preventive healthcare

Project Sehat

Project Sehat focuses on strengthening healthcare access through interventions aimed at improving emergency response and availability of critical healthcare services. Under the Ambulance Donation Project, the Company partnered with nine NGOs selected through a structured evaluation process covering compliance, operational capability, and social impact.

In addition, nationwide blood donation drives were conducted to support healthcare systems and address critical demand for blood. These interventions support last-mile healthcare delivery and contribute to strengthening healthcare access in underserved regions.



Environmental Sustainability Initiatives

Afforestation and community-based environmental conservation

Project Hariyali

Project Hariyali focuses on tree plantation and ecological restoration through partnerships with local communities, including small and marginal farmers. In FY26, plantation activities were carried out across three villages in Dahod district, Gujarat, using a mix of native and fast-growing species such as Teak, Mahogany, and Mango.



The initiative contributes to improved soil health, biodiversity, and carbon sequestration, while also providing supplementary income opportunities to farmers through sustainable forestry practices.

The Company also supported maintenance of previously planted saplings in the Araku region of Andhra Pradesh to ensure long-term sustainability.

Water resource management in rural communities

Water Conservation Projects

The Company has been implementing water conservation initiatives in tribal regions of Thane district, Maharashtra, over the past four years, focusing on improving water availability for household and agricultural use. These interventions have created a cumulative water storage capacity of 11.34 crore litres, enabling multi-cropping, strengthening rural livelihoods, and supporting 2,500 beneficiaries.



In FY26, the Company constructed 10 rainwater harvesting structures in schools and developed one farm pond, contributing to sustainable water resource management and improved community resilience.

Employee Participation in CSR Initiatives

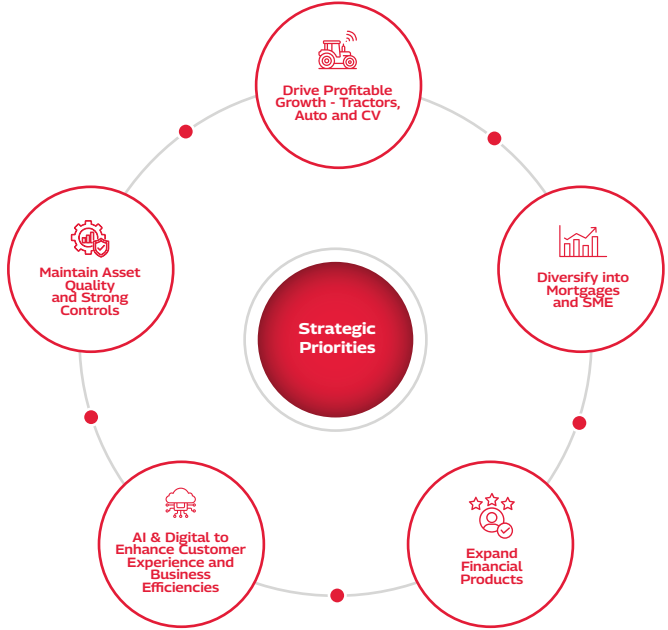
Employees actively participated in the Company's CSR initiatives during the year, supporting programme delivery and community engagement across locations.

Employee participation spanned a range of initiatives, including Blood Donation Drives, Swachh Bharat campaigns, Samantar, Gyandeeep initiatives, and financial literacy awareness under Dhan Samvaad, among others. These efforts supported outreach across communities and contributed to the implementation of CSR programmes at the grassroots level.

In addition, the Company supported other social initiatives, including educational grants, awareness programmes on leprosy prevention and cure, and support to day-care centres for children living with HIV and underserved communities.



VALUE CREATION MODEL

Capitals	Inputs	Value Creation Process	Activities to Sustain Value	Outcomes	Stakeholders Impacted
Financial Capital  - Net worth - ₹ 24,759 crore - Borrowings - ₹ 1,20,335 crore - Capital adequacy ratio - 18.8% - Total assets - ₹ 1,47,905 crore		Our Vision Most Trusted Financial Services Partner for Bharat Our Purpose Drive positive change in the lives of our communities. Only when we enable others to rise will we rise #TogetherWeRise Our Brand Pillars Rise for a more equal world Rise to be future-ready Rise to create value 	- Strengthened sustainable business model - Maintained strong corporate governance - Stabilised asset quality - Prudent capital deployment - Value to customers - Enhanced engagement via intuitive, digital-first experiences. - AI-powered multilingual chatbot improving customer engagement - Digitised loan lifecycle through automation and AI-led workflow - Advanced analytics, AI-driven engagement, automation & risk tools - Strengthened governance, compliance and IP frameworks - Continuous model and data enhancement - Talent Augmentation - Strong focus on Inclusive and PROMPT culture - Strengthened workforce engagement - Drove structured programmes - On-ground implementation through NGOs, training partners and community institutions - Strong CSR governance structure - Employee-led participation - Strong focus on energy efficiency - Lower environmental footprint through resource efficiency initiatives - ESG standards propagated upstream and downstream - Adoption of sustainable alternate technology	- Gross loan book - ₹ 1,34,096 crore - Total income - ₹ 18,500 crore - Profit after tax - ₹ 2,782 crore - Gross Stage 3 - 3.4% - Loans disbursed - ~10 Lakh contracts - Positive Customer Reviews - 10x Increase - Customerbot - 34,000+ Leads generated - Voice AI Agents - 5 Lakh+ AI calls - Digital collections - 85% - Reduced TAT from login to disbursal - Improved underwriting accuracy and portfolio quality - Enhanced decision-making and control - Cost optimisation and productivity gains - Employee engagement score - 4.46 - DEI representation - 5.9% - TLDP 1 - 40% role movement - Dhan Samvaad beneficiaries - 2,77,100+ - Girls supported through Nanhi Kali - 20,000 - Female students trained through Mahindra Pride Classrooms - 83,500+ - Energy consumption - 10% Y-o-Y reduction - Absolute reduction in Scope 1, 2 & 3 emissions - ~1,212 tCO₂e - Installation of energy efficient equipment resulted in ~684 GJ of energy savings	Investors  Employees  Customers  Community  Value Chain Partners  Government & Regulators 
Manufactured Capital  - Number of offices/branches - 1,348 - Number of dealers - 6,000+ - Website Visitors - ~34 Lakh - Customerbot - 2.45 lakh unique users					
Intellectual Capital  - App sign-ups - 14.3+ Lakh - ML-driven underwriting					
Human Capital  - Total No of Employees - 22,000+ - Total Training hours - 5,74,000+ - Tiered Leadership Development Programs					
Social and Relationship Capital  - CSR / community investment ₹ 47.78 crore - Major CSR Initiatives implemented: Dhan Samvaad, Mahindra Pride Classroom, Nanhi Kali, Water Conservation Project, etc 80% of employees actively participated in CSR initiatives					
Natural Capital  - Renewable energy adoption - Up by 3,700+ GJ - EVs adoption by employees - Up by ~350% Y-o-Y					

SUSTAINABILITY ROADMAP

The legacy of Mahindra Finance is rooted in creating a positive impact for people across rural and semi-urban India and is therefore anchored in the promotion of financial inclusion. The sustainability team of Mahindra Finance has developed a sustainability roadmap that defines environmental consciousness, social responsibility and strong governance and runs in parallel with the financial metrics of the Company. Mahindra Finance has built its foundation on People, Planet and Profit, which is the blueprint for the sustainability vision of the Company and the core theme for Phase I (FY2023-26) of the sustainability roadmap.

In FY2026, the Company has strategically built upon the outcome-focused foundation of 'People, Planet and Profit' by incorporating a process-driven framework that implements 'Environment, Social and Governance' principles in the business model.

- Dedicated Sustainability Team reporting to the CFO to better align financial and non-financial targets and metrics.
 - Materiality assessment that aligns material topics to Environment, Social and Governance pillars.
 - CSR Board Sub-committee reviews the ESG strategy, approves ESG commitments, ensures compliance with regulatory framework and aligns with the risk management processes.
- Established processes for integrating E&S considerations into the Company's risk and control systems.
 - Systematic inclusion of sustainability as a decision-making tool in the business operations - site selection, procurement, contractor management, audit, maintenance and end-of-life processes.

This section illustrates the Company's sustainability roadmap that integrates the materiality assessment, E&S goals and targets and annual actions taken.

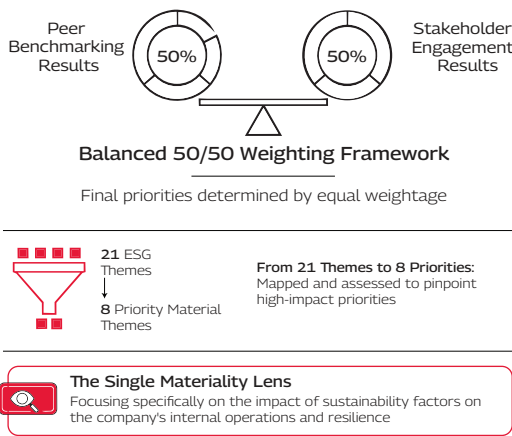
Materiality Assessment

A materiality assessment was undertaken in FY2025 focused on aligning the material topics to ESG principles, conducting peer benchmarking exercises to understand key issues managed in the *Banking, Financial Services and Insurance (BFSI)* sector and specific consultations with senior internal stakeholders on the Company's vision. A summary of the assessment has been shown below.

The Materiality Process & Methodology



Strategic ESG Priorities & Impact



Sustainability Roadmap

Material Topics	Goals & Key Targets		Initiatives taken/ planned		
	Goals	Key Targets	Phase I — FY2023-26	Phase II — FY2027-29	Phase III — FY2030-32
Environment 1. Emissions & Climate change 2. Responsible Products & Services	• Energy & Emissions Reduction • Water conservation • Embed climate risk into business decisions	I. Scope Emissions (SBTi) • 50.4% reduction in Scope 1 and Scope 2 emissions by FY2032 (FY2023 as baseline year) • 58.1% reduction in Scope 3 emissions by FY2032 with FY2023 as baseline year II. Zero Waste to Landfill	• Baseline establishment (FY2023) and declaration of SBTi Near Term Targets for Scope 1-3 for FY2032 • Incorporation of EV in "Vehicle Policy" • DG sets upgraded to latest CPCB technology and transition to UPS batteries • BLDC fans, LED lights and 5* BEE rated air conditioners installed • Green tariffs obtained for corporate office and wind energy procured for Chennai Circle Office • Paper recycling and removal of single use plastics • Climate Change Scenario Analysis of 1300+ Mahindra Finance Offices for flood, cyclone and heat risks	• Further incentivisation of EV and CNG adoption • Feasibility ongoing for expansion of green tariff program to 5 circle offices • 100% installation of climate resilient infrastructure defined in scenario analysis study • Mapping existing Mahindra Finance product suite with climate mitigation and adaptation frameworks	• Phase out of high global warming potential (GWP) R22 and R410a refrigerants in office cooling systems • Shift offices that are at the end of the lease cycle from higher-risk areas for acute climate hazards • Feasibility of emerging technology for diesel efficiency in DG sets, energy efficiency, and refrigerant alternatives • Evaluation of market drivers for climate mitigation and adaptation products to expand existing MMFSL offerings

Material Topics	Goals & Key Targets		Initiatives taken/ planned		
	Goals	Key Targets	Phase I — FY2023-26	Phase II — FY2027-29	Phase III — FY2030-32
Social 1. Customer well-being 2. Human Capital 3. Diversity, Equity & Inclusion	• Increase women representation in workforce • Improved training hours on skill development programs • Increased customer satisfaction and incorporation of customer feedback in customer facing processes	• Increased Women Representation in Workforce	• Human Rights Due Diligence (HRDD) evaluating 12 human rights issues • Skill training programs including crisis management, digital onboarding and DE&I • Increased focus on social infrastructure at branch offices to improve work environment for diverse stakeholders • Flexible employee programs - work arrangements, women's health and caregiving support • Robust customer feedback and implementation programs	• Scaling of gender recruitment programs • Expansion of digital tools to make services more accessible • Increased customer feedback mechanisms, improved turnaround time and customer retention	• To be determined based on success of Phase II initiatives

Material Topics	Goals & Key Targets		Initiatives taken/ planned		
	Goals	Key Targets	Phase I — FY2023-26	Phase II — FY2027-29	Phase III — FY2030-32
Governance 1. Board Governance 2. Risk & Control Systems 3. Business Ethics	• Strengthen board-level ESG oversight • Embed ESG risk into risk management framework • Uphold business ethics & anti-corruption standards	• Increased transparency and disclosure of business responsibility and sustainability initiatives • Strengthen performance of MMFSL across ESG ratings • 100% coverage of employees on Code of Conduct and ABAC training modules	• Organizational Structure with ESG and Climate responsibilities • Integration of ESG parameters in the Internal Capacity Adequacy Assessment Process (ICAAP) and Risk Taxonomy of the Company • Gap assessment of ESG ratings and BRSR reporting to determine areas of improvement	• Strengthened risk controls for ESG and climate metrics in the ICAAP • Automation of data collection, standardization and reporting in annual reports and ESG ratings • Documented policies, processes, frameworks and strategies for ESG implementation across the Company	• Maintenance of established ESG systems from Phase II • Increased focus on thought leadership and alignment with best industry practices

Mapping with Climate Terminologies

Mahindra Finance's business model combines a rural and semi-urban customer base with an existing product suite in climate critical sectors such as agriculture and housing, enabling the Company to support a climate mitigation and adaptation ecosystem.



Enabling Climate Mitigation

Actions that enable reduction or prevent Greenhouse Gas (GHG) Emissions into the atmosphere by acting as alternates to high emitting sources and/or sinks for existing gases.



Enabling Climate Adaptation

Actions that enable improvement of infrastructure, increased resilience and/or improved recovery from acute climate hazards and enable the reduction of compounding effects of chronic hazards.

Key Achievements	
	Financing of 64,000+ electric vehicles.
	Contribution to Mahindra Group's "Project Hariyali" initiative by planting 14,500 saplings of native high-value species. Engagement with 1,500+ small-scale farmers for sustainable agroforestry practices.
	18,000+ housing loans in affordable housing segment - Constructed 10 rainwater harvesting ponds and 1 farm pond in Maharashtra, with a cumulative water storage potential of 11.34 crore litres.



Women as a stakeholder group

United Nations has identified women as a key stakeholder group, who are disproportionately impacted from climate change. Mahindra Finance has increased focus on women as a stakeholder group across its business operations. Some key initiatives have been provided below.

- CSR Initiatives with women as a focus stakeholder group:
 - "Dhan Samvaad" - financial literacy
 - Skill training workshops
- Digital transition of the customer onboarding and handling process that allows for more flexibility in accessing Mahindra Finance services.

- Increased women workforce in customer-facing roles by 40+% to provide a point of contact for female customers that increases comfort and accessibility of Mahindra Finance services.
- SME Financing has financed women-led MSMEs in following sectors - agricultural products, food products, textiles, paper, automobiles, accommodation services and telecommunications

RESULTS: 10-YEARS AT A GLANCE

(₹ in Crores unless indicated otherwise)

Particulars	FY2026	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Estimated Value of Assets Financed	79,223	74,246	71,757	62,526	36,217	25,249	42,388	46,210	37,773	31,659
No. of Contracts	1,20,16,573	1,10,20,245	1,00,71,741	90,11,096	79,58,897	73,11,675	68,58,082	61,00,619	53,39,238	47,13,066
Total Assets*	1,47,905	1,35,548	1,15,159	96,217	75,289	77,036	74,071	67,078	52,793	45,837
Total Income*	18,500	16,075	13,562	11,056	9,719	10,517	10,245	8,810	6,685	6,238
Profit before depreciation & tax*	4,015	3,421	2,584	2,885	1,484	548	1,462	2,443	1,711	666
Depreciation*	343	273	229	187	127	126	118	60	44	46
Profit before tax*	3,673	3,147	2,355	2,698	1,357	422	1,344	2,382	1,667	620
Profit after tax*	2,782	2,345	1,760	1,984	989	335	906	1,557	1,076	400
Dividend %	375	325	315	300	180	40	0	325	200	120
Equity Share Capital*	278	247	247	247	247	246	123	123	123	113
Reserves & Surplus*	24,481	19,565	17,911	16,842	15,381	14,465	11,241	10,785	9,499	6,364
Net Worth*	24,759	19,812	18,157	17,089	15,628	14,712	11,364	10,908	9,622	6,477
No. of Employees Engaged	22,637	25,261	26,662	26,329	19,998	19,952	21,862	21,789	18,733	17,856
No. of Offices	1,348	1,365	1,370	1,386	1,384	1,388	1,322	1,321	1,284	1,182
Earnings Per Share Basic (Rupees)*# (Face value - Rs.2/- per share)	20.35	18.43	14.26	16.09	8.02	3.03	10.09	25.33	18.52	7.09
Earnings Per Share Diluted (Rupees)*# (Face value - Rs.2/- per share)	20.33	18.43	14.25	16.08	8.01	3.02	10.08	25.28	18.49	7.04

*Figures from FY2018 onwards are as per Ind AS and for FY2017 is as per IGAAP.
Pursuant to Ind AS - 33, Earnings Per Share, the Basic and Diluted earnings per share for the current year (2025-26) and previous year (2024-25) has been restated for the bonus element in respect of the Rights issue.

AWARDS



Excellence in Financial Reporting

Won the Silver Shield for Excellence in Financial Reporting in the Financial Services sector (Incl NBFC's, Excl Banking & Insurance) at the prestigious ICAI Awards.

Best Financial Inclusion Initiative

Won the 'Best Financial Inclusion Initiative' award at the prestigious DNA Awards 2025.

Excellence in Sustainable Domain

Won the 'Significant Achievement in Domain Excellence' award at the CII-ITC Sustainability Awards 2025.

Recognised for Sustainability Leadership

Ranked 4th by BW Businessworld, India's most sustainable companies' for leading the sustainability charter in India's Financial Services, Insurance and Asset Management

Among India's Most Sustainable Companies

Ranked 49th by BW Businessworld, India's most sustainable companies for making great strides in fortifying its sustainability practices

Excellence in Sustainability and Social Impact

Received ACEF Asian Leaders Award 2025, Gold for Environmental Sustainability and Silver for Education and Skills Development

UN SDGs AND UNGC MAPPING

UNSDG	Targets applicable to MMFSL operations	Reference Sections
	Target 1.4: Providing financial options to access basic services (e.g. housing and transportation) and providing microfinance solutions. Target 1.5: Affordable housing solutions providing permanent housing and building resilience of the poor to combat climate-related extreme events.	- Sustainability Roadmap - Value Created for Community
	Target 3.8: Increased access to health coverage and blood donation drives improving availability of essential medical services.	- Value Created for People - Value Created for Community
	Target 4.3: Equal access for women and men to quality technical and vocational training. Target 4.4: Increased number of youth who have relevant technical and vocational skills for employment, decent jobs and entrepreneurship. Target 4.6: Contribution towards men and women who have achieved literacy and numeracy.	Value Created for Community
	Target 5.1: Non-discrimination policies and procedures implemented across the company. Target 5.5: Women representation in senior leadership and middle management.	Value Created for People
	Target 6.4: Water saving measures at MMFSL offices and awareness programmes in surrounding communities for water conservation. Target 6.5: Water stewardship programmes with local farmers.	- Value Created for Environment - Value Created for Community
	Target 7.3: Improvement in energy efficiency through energy-saving technologies being implemented in MMFSL offices.	Value Created for Environment
	Target 8.5: Full and productive employment for women, young people and persons with disabilities. Target 8.6: Reduced proportion of youth not in employment or training. Target 8.10: Contribution towards capacity of domestic financial institutions that expand access to banking, insurance and financial services for all.	- Value Created for Customers - Sustainability Roadmap
	Target 9.3: Increased access of small and medium enterprises (SMEs) to financial services including affordable credit. Target 9.4: Contribution towards greater adoption of clean and environmentally sound technologies (electric vehicles).	- Value Created for Customers - Value Created for Investors - Sustainability Roadmap
	Target 10.1: Contribution towards sustained income growth of the bottom 40% of the population through the rural and semi-urban population focus of the company. Target 10.3: Equal opportunity and reduced inequalities through implemented policies and practices. Target 10.b.: Contribution towards financial flows, including foreign investment, into small-scale industries, rural/semi-urban areas and vulnerable groups.	- Value Created for Investors - Value Created for People - Value Created for Community
	Target 11.1: Access to safe and affordable housing. Target 11.2: Access to safe, affordable, accessible and sustainable transport systems for all	Sustainability Roadmap

UNSDG	Targets applicable to MMFSL operations	Reference Sections
	Target 12.2: Sustainable management and efficient use of natural resources including initiatives in water conservation, energy saving and reused paper products. Target 12.5: Reduced waste generation through prevention, reduction, recycling and reuse. Target 12.6: Adoption of sustainable practices and integration of sustainability information into the reporting cycle. Target 12.7: Implementation of sustainable procurement practices where possible.	• Value Created for Community • Value Created for Environment
	Target 13.1: Contribution to resilience and adaptive capacity to climate-related hazards through provision of basic services Target 13.2: Integration of climate change planning into policies and strategies. Target 13.3: Developed institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	• Value Created for Environment • Sustainability Roadmap
	Target 15.1: Promoted conservation, restoration and sustainable use of forests and wetlands. Target 15.2: Contribution towards increased afforestation efforts.	• Value Created for Community
	Target 17.3: Mobilized financial resources for community and infrastructure development from multiple sources. Target 17.7: Promoted dissemination and diffusion of environmentally sound technologies (electric vehicles) Target 17.18: Increased availability of high quality, timely and reliable data disaggregated by income, gender, age, disability and other characteristics relevant in national contexts.	• Value Created for Investors • Value Created for People • Value Created for Environment • Value Created for Community

UNGC Principle	Principle Details	Material Topic	Reference Sections
1	Businesses should support and respect the protection of internationally proclaimed human rights	M4, M5, M6, M7 and M8	Value Created for People BRSR Principle 5
2	Businesses should make sure that they are not complicit in human rights abuses	M4, M5, M6 and M7	
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	M4	BRSR Principle 3
4	Businesses should eliminate all forms of forced and compulsory labour	M4	Value Created for People BRSR Principle 5
5	Businesses should abolish child labour	M4	BRSR Principle 5
6	Business should eliminate discrimination in respect of employment and occupation	M4, M5, M6, M7 and M8	Value Created for People BRSR Principle 5
7	Businesses should support a precautionary approach to environmental challenges	M1, M2 and M7	Value Created for Environment BRSR Principle 6
8	Businesses should undertake initiatives to promote greater environmental responsibility	M1 and M2	Sustainability Roadmap
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	M1 and M2	
10	Businesses should work against corruption in all its forms, including extortion and bribery	M2, M3, M6, M7 and M8	Corporate Governance Report BRSR Principle 1

GRI MAPPING

Statement of use	Mahindra & Mahindra Financial Services Limited (MMFSL) has reported the information cited in this GRI content index for the period [FY2025-26] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Used	GRI 1: Foundation 2021		
GRI Standard	Disclosure	Section Reference	Page no./BRSR location
GRI 2: General Disclosures 2021	2-1: Organizational Details	• About the Report • Who We Are • Our Geographic Presence	2-3 18-21 26
	2-2: Entities included in the organization's sustainability reporting	• About the Report • BRSR(Section A:Q23)	2-3 219
	2-3 Reporting period, frequency and contact point	• About the Report • Corporate Information	2-3 580
	2-5: External assurance	• About the Report • Independent Limited Assurance Statement (IR) • Independent Assurance Statement (BRSR)	2-3 91-94 266-269
	2-6: Activities, value chain, and other business relationships	• Who We Are • Product Suite • Our Geographic Presence • Value Creation Model • BRSR (Section A:Q16-19)	18-21 22-25 26 78-79 217
	2-7 Employees	• Value Created for Our People • BRSR (Section A:Q20)	65 218
	2-9 Governance structure and composition	• Governance • Board of Directors • Steering Committee & CS • Corporate Governance Report	8 12-13 14-17 160-213
	2-10 Nomination and selection of the highest governance body	• Board of Directors • Corporate Governance Report	12-13 160-213
	2-11 Chair of the highest governance body	• Board of Directors • Corporate Governance Report	12-13 161
	2-12 Role of the highest governance body in overseeing the management of impacts	• Governance • Corporate Governance Report	8-11 160-213
	2-13 Delegation of responsibility for managing impacts	• Governance • Steering Committee & CS • Corporate Governance Report	8-11 14-16 160-213
	2-14 Role of the highest governance body in sustainability reporting	• Governance • Corporate Governance Report	8-11 185-187
	2-15 Conflicts of interest	• Corporate Governance Report • BRSR (P1:E6)	160-213 230
	2-18 Evaluation of the performance of the highest governance body	• Corporate Governance Report	174-179
	2-19 Remuneration policies	• Corporate Governance Report	175
	2-20 Process to determine remuneration	• Corporate Governance Report	175
	2-21 Annual total compensation ratio	• Board's Report	133-134
	2-26 Mechanisms for seeking advice and raising concerns	• Governance • Board's Report • Corporate Governance Report • BRSR (P3:E6)	8-11 117 184-185 237

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
	2-27 Compliance with laws and regulations	- Governance - Corporate Governance Report - BRSR (P6:E13)	11 180-182 255
	2-28 Membership associations	BRSR (P7:E1)	258
	2-29 Approach to stakeholder engagement	- Value Creation Model - Sustainability Roadmap - BRSR (P4:E1, E2)	78-79 80-81 242,243
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Roadmap	80
	3-2 List of material topics	- About the Report - Sustainability Roadmap - BRSR (Section A:Q26)	3 80-81 220-224
	3-3 Management of material topics	- Sustainability Roadmap - BRSR (Section A:Q26)	80-82 220-224
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	- Value Created for Environment - Sustainability Roadmap	66-71 80-82
	102-4 GHG emissions reduction targets and progress	- Value Created for Environment - Sustainability Roadmap	66-68 80-81
	102-5 Scope 1 GHG emissions	- Value Created for Environment - BRSR(P6:E7)	67-68 253
	102-6 Scope 2 GHG emissions	- Value Created for Environment - BRSR(P6:E7)	67-68 253
	102-7 Scope 3 GHG emissions	- Value Created for Environment - BRSR(P6:L2)	67-68 256-257
	102-8 GHG emissions intensity	BRSR (P6:E7,L2)	253,257
GRI 103: Energy 2025	103-1 Energy policies and commitments	- Value Created for Environment - Sustainability Roadmap	66-69 80-81
	103-2 Energy consumption and self-generation within the organization	- Value Created for Environment - BRSR (P6:E1)	69 249-250
	103-4 Energy intensity	BRSR (P6:E1)	250
	103-5 Reduction in energy consumption	- Value Created for Environment - Sustainability Roadmap	66-69 80-81
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	- Key Performance Indicators - Value Created for Investors - Management Discussion and Analysis - Standalone Financial Statements - Consolidated Financial Statements	34-35 52-57 143-159 284-437 450-578
	201-3 Defined benefit plan obligations and other retirement plans	- Standalone Financial Statements - Consolidated Financial Statements	284-437 450-578
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	BRSR (P5:E2)	245
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	- Value Created for Community - Value Created for Customers	46-51 72-77
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	- Corporate Governance Report - BRSR (P1:E4)	180-182 230
	205-2 Communication and training about anti-corruption policies and procedures	- Governance - Corporate Governance Report - BRSR (P1:E1,E4)	8-11 197-198 229-230
	205-3 Confirmed incidents of corruption and actions taken	BRSR(P1:E5)	230

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
GRI 302: Energy 2016	302-1 Energy consumption within the organization	- Value Created for Environment - BRSR (P6:E1)	66-69 249
	302-3 Energy Intensity	BRSR (P6:E1)	250
	302-4 Reduction of energy consumption	- Value Created for Environment - Sustainability Roadmap	68-69 80-81
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	- Value Created for Environment - Value Created for Community	70 77
	303-3 Water withdrawal	BRSR (P6:E3)	250-251
	303-4 Water discharge	BRSR(P6:E4)	251-252
	303-5 Water consumption	- Value Created for Environment - BRSR(P6:E3)	70 250-251
GRI 306: Waste 2020	306-3: Waste generated	- Value Created for Environment - BRSR (P6:E9)	70 254
	306-4: Waste diverted from disposal	- Value Created for Environment - BRSR(P6:E9)	70 254
GRI 401: Employment 2016	401- 1: New employee hires and employee turnover	- Value Created for Our People - BRSR(Section A:Q22)	64-65 219
	401-2: Benefits provided to full-time employees that are not provided to temporary or part- time employees	- Value Created for Our People - BRSR (P3:E1)	58-65 235
	401-3: Parental leave	BRSR(P3:E1,E5)	235,237
GRI 403: Occupational Health and Safety 2018	403- 1: Occupational health and safety management system	BRSR (P3:E10)	239
	403-2: Hazard identification, risk assessment, and incident investigation	- Value Created for Our People - BRSR (P3:E10)	63 239
	403-3: Occupational health services	BRSR (P3:E10)	239
	403-9 Work-related injuries	BRSR(P3:E11)	240
	403-10: Work-related ill health	BRSR(P3:E11)	240
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Value Created for Our People	61
	404-2: Programs for upgrading employee skills and transition assistance programs	- Value Created for Our People - BRSR (P3:E8)	58-65 238
	404-3: Percentage of employees receiving regular performance and career development reviews	BRSR (P3:E9)	239
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	- Governance - Board of Directors - Value Created for Our People - BRSR (Section A: Q21)	8 12-13 63-65 218
	405-2 Ratio of basic salary and remuneration of women to men	BRSR (P5:E3)	245
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR (P5:E6,E7,E8)	246, 247
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	BRSR (P5: E10; L4)	248, 249

GRI Standard	Disclosure	Section Reference	Page no./BRSR location
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	• BRSR (P5: E10; L4)	248, 249
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	• Value Created for Community • BRSR (P8:E1, P8:L6)	72-77 259, 263
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• BRSR(P9:E7)	264

Note: BRSR - Business Responsibility & Sustainability Report; P - BRSR Principle; E - Essential Indicator; L - Leadership Indicator; Q - Question under section A & B



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INDEPENDENT LIMITED ASSURANCE STATEMENT

Independent Limited Assurance Statement to Mahindra & Mahindra Financial Services Limited (the Company) on its Integrated Report the FY 2025-26

Mahindra & Mahindra Financial Services Limited
Mahindra Towers
3rd Floor, Dr. G.M. Bhosale Marg,
Worli, Mumbai 400018, India

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as ‘SGS India’) was engaged by Mahindra & Mahindra Financial Services Limited (the ‘Company’) to conduct an independent assurance of the disclosures under the Integrated Report (the ‘Report’) pertaining to the reporting period of April 1, 2025, to March 31, 2026. The Integrated Report has been prepared in line with the Global Reporting Initiatives (GRI) Standards and Integrated Report <IR> Framework. This Limited level of assurance engagement was conducted in accordance with “International Standard on Assurance Engagements (ISAE) 3000 (Revised)” and GRI principles.

Reporting Framework:

The Report has been prepared as per following the

- 1) Global Reporting Initiative (GRI)
- 2) Integrated Report (IR)
- 3) Greenhouse Gas Protocol Standard - A Corporate Accounting and Reporting Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Mahindra & Mahindra Financial Services Limited's Stakeholders.

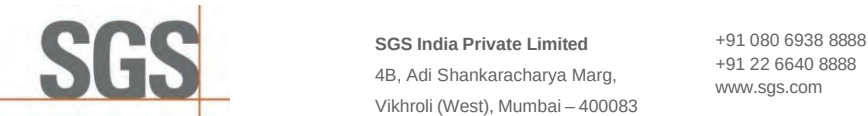
Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the assurance scope.

Assurance Standard

SGS has conducted Limited level Assurance engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI principles. Our evidence-gathering procedures were designed to obtain a ‘Limited level of assurance’. The procedures performed in a limited assurance engagement are designed to support expectations regarding the direction of trends, relationships and ratios rather than to identify misstatements with the level of precision expected in a limited assurance engagement.



Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and Sustainability report assurance. SGS affirms our independence from Mahindra & Mahindra Financial Services Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

Scope of Assurance

- The assurance process involved assessing the quality, accuracy, and reliability of GRI indicators within the Integrated Report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include Mahindra & Mahindra Financial Services Limited 's spread across the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the ESG KPIs and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

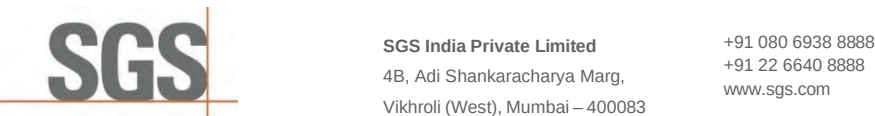
SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in “Findings and Conclusions.”
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the ESG KPIs (listed below) presented by the Company in its Integrated Report are complete, accurate, reliable, have been fairly stated in all material respects, and are prepared in line with the Reporting requirements.



The list of ESG KPIs that were verified within this assurance engagement is given below:

GRI indices	Description
204-1	Proportion of spending on local suppliers
205-2	Communication and training on anti-corruption policies and procedures
205-3	Confirmed incidents of corruption and actions taken
206-1	Number of regular penalties, settlements, voluntary disclosure etc.
302-1	Energy consumption within the organization
302-2	Energy consumption outside of the organization
302-3	Energy intensity
302-4	Reduction of energy consumption
303-3	Water Consumption
303-4	
303-5	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)
305-4	GHG emissions intensity
305-5	Reduction of GHG emissions
306-1	Waste generation and significant waste-related impacts
306-2	Management of significant waste-related impacts
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
401-3	Parental Leaves
403-1	Occupational health and safety management system
403-2	Hazard identification, risk assessment, and incident investigation
403-3	Occupational health services
403-4	Worker participation, consultation, and communication on occupational health and safety
403-5	Worker training on occupational health and safety
403-6	Promotion of Worker health
403-8	Workers covered by an occupational health and safety management system
403-9	Work-related injuries
403-10	Work-related ill health
404-1	Average hours of training per year per employee by gender, and by employee category
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category



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405-1	Ratio of basic salary and remuneration of women to men
406-1	Incident of discrimination and corrective actions taken
412-2	Employee training on human rights policies or procedures
413-1	Operations with local community engagement, impact assessment and development programs

For and on behalf of SGS India Private Limited

Kalpesh Thombare

Technical Reviewer
National Manager – ESG & Sustainability Services, SGS India.

8 June ,2026.

Namrata Kamble

Lead Verifier
Sr. Technical Associate - ESG & Sustainability Services, SGS India

Team Member – Nakshatra Shinde
8 June ,2026.

Statutory Reports



BOARD’S REPORT

Dear Shareholders,

Your Directors are pleased to present their Thirty-Sixth Report together with the audited financial statements of your Company for the Financial Year ended 31st March 2026 ("FY2026").

Financial Summary and Operational Highlights

Particulars	CONSOLIDATED		% Change	STANDALONE		% Change
	FY2026	FY2025		FY2026	FY2025	
Total Income	21,086.73	18,530.46	13.79	18,500.28	16,074.69	15.09
Less: Finance Costs	8,933.56	8,415.43	6.16	8,392.05	7,898.30	6.25
Expenditure	7,877.88	6,832.14	15.31	5,975.59	4,755.70	25.65
Depreciation, Amortization and Impairment	386.08	321.21	20.20	342.68	273.42	25.33
Total Expenses	17,197.52	15,568.78	10.46	14,710.32	12,927.42	13.79
Profit before exceptional items and taxes	3,889.21	2,961.68	31.32	3,789.96	3,147.27	20.42
Share of profit of Associates & Joint Ventures	69.64	65.23	6.76	-	-	-
Exceptional items	(132.95)	-	N.A.	(117.33)	-	N.A.
Profit Before Tax	3,825.90	3,026.91	26.40	3,672.63	3,147.27	16.69
Less: Provision For Tax						
Current Tax	982.10*	820.93	19.63	925.29*	779.45	18.71
Deferred Tax	(17.31)	(54.89)	(68.46)	(34.89)	22.78	(253.16)
Profit After Tax	2,861.11	2,260.87	26.55	2,782.23	2,345.04	18.64
Less: Profit for the year attributable to Non-controlling Interests	6.58	(1.00)	-	-	-	-
Profit for the Year attributable to owners of the Company	2,854.53	2,261.87	26.20	2,782.23	2,345.04	18.64
Balance of profit brought forward from earlier years	9,372.89	8,364.28	12.06	8,128.10	7,037.93	15.49
Add: Other Comprehensive income/ (Loss)	(21.48)	(5.71)	276.18	(16.72)	(7.49)	123.23
Balance available for appropriation	12,205.94	10,620.44	14.93	10,893.61	9,375.48	16.19
Less: Appropriations						
Dividend paid on Equity Shares	903.07	777.78	16.11	903.48	778.38	16.07
Transfer to Statutory Reserves	569.29	469.13	21.35	556.46	469.00	18.65
Add/Less: Other						
Adjustments:						
Gross obligation at fair value to acquire non-controlling interest	-	-	-	-	-	-
Changes in Group's Interest	(0.66)	(0.64)	3.13	-	-	-
Balance carried forward to balance sheet	10,732.92	9,372.89	14.51	9,433.67	8,128.10	16.06
Net worth	26,638.64	21,529.46	23.73	24,758.70	19,812.23	24.97

*Current tax includes (Excess)/Short Provision for Income Tax of earlier years.

COMPANY’S PERFORMANCE AND STATE OF AFFAIRS:

Consolidated Performance Highlights

The Company delivered a strong financial performance in FY2026, reflecting sustained business momentum and disciplined execution as under:

- Total Income increased by 13.79% to ₹ 21,086.73 crore, driven by growth in lending portfolios, along with higher insurance and dividend income.
- Profit Before Tax ("PBT") grew by 26.4% to ₹ 3,825.90 crore, outpacing income growth, supported by higher Net Interest Margins.
- Profit After Tax ("PAT") (net of non-controlling interest) increased by 26.20% to ₹ 2,854.53 crore, underscoring enhanced profitability and resilience of the business model.

Standalone Performance Highlights

- Loan disbursements increased by 5.56% to ₹ 61,118.30 crore, reflecting steady business traction.
- Total Income grew by 15.09% to ₹ 18,500.28 crore, supported by growth in lending portfolio.
- Profitability remained strong with PBT up 16.69% to ₹ 3,672.63 crore and PAT up 18.64% to ₹ 2,782.23 crore.
- AUM expanded by 12.05% to ₹ 1,34,096.05 crore, indicating sustained portfolio growth.

Stage 3 loan assets stood at ₹ 4,578.38 crore as at 31st March 2026, as compared to ₹ 4,413.94 crore as at 31st March 2025. Notwithstanding the marginal increase in absolute terms, the Gross Stage 3 ratio improved to 3.4% of Business Assets from 3.7% in the previous year, indicating better asset quality.

The Company also met its internal risk thresholds by maintaining the aggregate Gross Stage 2 and Stage 3 assets below 10% (8.2% as at 31st March 2026). Credit cost for the year stood at 1.7%, reflecting its focus on strong underwriting standards and proactive portfolio monitoring.

The overall performance reflects the Company's continued focus on prudent risk management, liability discipline and deepening presence in Bharat markets, while delivering sustainable value to stakeholders.

Material changes from the end of the financial year till the date of this report

No material changes and commitments have occurred after the closure of the FY2026 till the date of this Report, which would affect the financial position of your Company.

ECL and other updates

The Company estimates impairment on financial instruments as per Expected Credit Loss ("ECL") approach prescribed under Ind AS 109 'Financial Instruments' and in accordance with the Board approved ECL Policy.

As a part of annual refresh, the Company had undertaken comprehensive review of its ECL model. This annual refresh was aimed at calibrating the methodology for computation of Probability of Default ("PD"), Loss Given Default ("LGD") and other input parameters basis sufficient historical data along with updation related to latest multi-factor macro-economic growth estimates, shifts in market drivers and changes in risk profile of customer credit exposures for computation of ECL provisions for loan portfolios across various product categories. The Company had estimated the ECL provision for the year ended 31st March 2026 in accordance with the updated ECL model, and has created the management overlay of ₹ 852 crore. The management overlay provision will be subject to review on a periodic basis, and be recalibrated or released, if warranted, following necessary governance and approval processes. ECL provision as at 31st March 2026 stands at ₹ 3,936 crore as against ₹ 3,459 crore as at 31st March 2025. The Company's net Stage-3 assets ratio stood at 1.44% as at 31st March 2026 as against 1.84% as at 31st March 2025.

Transfer to Reserves

The Company has transferred an amount of ₹ 556.46 crore to the Statutory Reserves, in compliance with section 45-IC of the Reserve Bank of India ("RBI") Act, 1934. Further, the Board of your Company has decided not to transfer any amount to the General Reserve for the year under review. An amount of ₹ 9,433.67 crore is proposed to be retained in the Profit and Loss Account of the Company.

The Company maintains sufficient liquidity buffer to fulfil its obligations arising out of issue of debentures. The Company being a listed NBFC, is exempt from transferring any amount to Debenture Redemption Reserve in respect of privately placed or public issue of debentures, in accordance with the provisions of section 71 of the Companies Act, 2013 read with Rule 18(7) (iii) of the Companies (Share Capital and Debentures) Rules, 2014. However, in compliance with Rule 18 (7) (v), of the said Rules, the Company invests or deposits 15% of amount of its secured debentures maturing during the year ending 31st March of the next year in any one or more modes of investments or deposits as specified under sub-clause (vi) of said rules. Further, the Company also maintains 100% security cover or higher security cover as per the terms of Information Memorandum, General Information Document ("GID"), Key Information Document ("KID"), as the case may be and/or Debenture Trust Deed, sufficient to discharge the liability towards principal amount and interest thereon.

Dividend

Considering strong performance and robust cash flows, your Directors are pleased to recommend a dividend of ₹ 7.50 per equity share i.e. 375% on 138,99,71,160 Equity shares of the face value of ₹ 2 each, for FY2026 vis-a-vis 325% dividend in FY2025.

The equity dividend outgo for the FY2026 would absorb a sum of ₹ 1042.48 crore resulting in payout of 37.5% of the standalone net profits for FY2026 as against outgo of ₹ 903.48 crore comprising dividend of ₹ 6.50 per Equity Share in the previous year. Dividend, subject to deduction of tax at source as applicable, will be payable subject to approval of Shareholders at the ensuing Annual General Meeting ("AGM") to shareholders of the Company as at Record date for the purpose of Dividend i.e. Monday, 13th July 2026. The dividend recommended is in accordance with the Company's Dividend Distribution Policy and in compliance with the framework prescribed in RBI Master Directions.

The Company has not paid any Interim Dividend during the financial year under review.

Unclaimed dividend transferred to Investor Education and Protection Fund

In terms of the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the year under review, the Company has transferred an amount of ₹ 12,43,340 being the unclaimed dividend for FY2018 to the Investor Education and Protection Fund ("IEPF"). In addition, the dividend amount of ₹ 589,099.50 for FY2025 on shares held by IEPF was remitted to IEPF. The details of total amount(s) lying in unpaid dividend account of the Company for last seven years and due to be transferred to IEPF, is mentioned in the Report on Corporate Governance, forming part of this Annual Report.

Measures taken to reduce unclaimed amounts

Proactive steps were taken for payout of unclaimed dividend amounts to equity shareholders with updated bank details, thereby reducing amounts requiring transfer to the IEPF and enhancing shareholder service outcomes. During FY2026, dividend payment aggregating to ₹ 9.76 lakhs was paid to 2,812 eligible shareholders followed by dispatch of credit confirmation letters.

Dividend Distribution Policy

In compliance with the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Dividend Distribution Policy. The Dividend Distribution Policy provides for eligibility criteria, aspects to be considered by the Board while recommending dividend, ceiling on dividend payout ratio etc., in accordance with the Master Direction

- Reserve Bank of India (Non-Banking Financial Companies - Prudential Norms on Declaration of Dividends) Directions, 2025 dated 28th November 2025. As set out in Dividend Distribution Policy, the Company's dividend payout is determined based on available financial resources, investment requirements and optimal shareholder return.

As per the Company's Dividend Distribution Policy, the Company endeavours to maintain a dividend payout ratio generally in the range of 20% to 30% of the annual standalone Profit After Tax ("PAT"). The Policy also provides that while determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account various internal and external factors such as Capital Adequacy Ratio, earnings stability and cash flow position of the Company.

The Dividend Distribution Policy can be accessed on the Company's website at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

OPERATIONS

Your Company continued to strengthen its operating capabilities, with a focused approach towards improving execution, productivity and customer engagement across the lending lifecycle. Anchored in its core objective of serving rural and semi-urban India, the Company operates through a diversified portfolio spanning vehicle financing, SME lending, mortgages and allied businesses, supported by a widespread distribution network across 27 states and 7 union territories, covering over 95% of pin codes. The operating model remains centred on deep customer understanding in Bharat markets, with a significant proportion of customers sourced from rural and semi-urban geographies and aligned to self-employed and agri-linked segments.

During the year, your Company continued to make tangible progress in strengthening execution through digital and analytics-led transformation. The Udaan programme is now integral to origination, underwriting and servicing workflows, enabling standardisation of processes and improved turnaround times. At the end of the year, loans across all business verticals were processed through the digital stack, with nearly 40% of applications approved through straight-through processing, reflecting improved operational efficiency and reduced manual intervention. Your company's agentic AI initiatives have also enabled faster post-sanction turnaround times by improving process efficiency.

This transformation has been complemented by increased adoption of analytics across business functions, including sourcing, underwriting and collections. Enhanced decision-support systems, early warning triggers and real-time monitoring dashboards have improved execution discipline and responsiveness across the value chain.

Pillars of Progress: Growth, Efficiency and Customer-Centricity

Branch Network Performance and Distribution Transformation

During FY2026, your Company recalibrated its branch network to enhance productivity and align distribution with evolving priorities, supported by clearer role definitions, stronger supervisory frameworks and tighter integration with centralised underwriting and analytics. The extensive network of 1,300+ branches and 7,000+ channel outlets continues to anchor sourcing, servicing and collections, particularly across rural and semi-urban markets. The transition to a digitally enabled branch model has strengthened onboarding, data capture and process control, with QR-based customer feedback mechanisms, and structured tracking of all customer requests ensuring timely resolution.

Operational efficiency has improved through the rollout of e-mandate and UPI-based payment processes, enabling seamless collections and reducing reliance on physical instruments. Backend processes have been strengthened through centralisation and automation of processes.

The branch network continues to evolve as a multi-product distribution platform, driving cross-sell across loans, insurance and other products, with the integrated "phygital" model enhancing operational discipline, customer lifecycle value and improved regulatory compliance.

Digital Transformation and Customer Engagement

Your Company continued to deepen its digital footprint across rural and semi-urban markets by scaling assisted digital loan journeys, automated credit assessments and faster turnaround times. These initiatives have improved customer access, enhanced operational efficiency and strengthened financial discipline across the lending lifecycle. Digital adoption remains a key driver of reach, consistency and service quality.

Udaan: Enterprise-wide Digital Backbone

The Udaan Digital Transformation Programme has completed full adoption across lending, servicing and collections, creating a unified digital backbone for the Company. Udaan enables end-to-end assisted digital journeys supported by analytics, alternative data, account aggregators, bank statement analysis, digital KYC, e-documentation, e-sign, e-mandates and improved fraud prevention controls.

As a result, documentation has been streamlined, turnaround times reduced, compliance strengthened and transparency enhanced across the value chain. During the year, digital collections increased to 85%. With platform rollout complete, the focus has now shifted to optimisation, deeper analytics-led interventions and sustained productivity gains.

Scaling Omnichannel Customer Platforms

The Mahindra Finance Customer App evolved into an enterprise-scale digital platform supporting loans, investments and core servicing across mobile and web channels. The Mahindra Finance Customer App is now available in multiple Indian languages and plays a central role in customer engagement, collections and cross-sell.

During the year, Cumulative app sign-ups crossed 14.3+ Lakh, with sustained growth momentum (~10 Lakh), and the app generated 1.6+ Lakh leads with 30% classified as 'hot leads' alongside 10x increase in positive customer reviews, underscoring strong improvements in usability, reliability and overall customer satisfaction.

AI-led Credit, Collections and Decisioning

Your Company continues to embed AI and ML across underwriting, collections, operations and leadership decision-making. Retail credit decisioning is now supported by advanced scorecards across customer segments, AI voice agents were also deployed, covering ~15% of the soft bucket portfolio. Key initiatives included the implementation of a Lakehouse medallion architecture and the Drishti analytics portal, resulting in platform simplification, with 2,200+ employees accessing 100+ data attributes through Drishti.

In the Collections and Orchestration space, the solution is live with AI voice agents, resulting in lower digital costs, reduced EMI bounce rates, and expanded soft-bucket coverage, enabled by multi-channel AI-driven decisioning. AI-based models have also expanded the pre-approved and pre-qualified customer base by up to 8x, supporting scalable growth.

AI-powered conversational platforms further strengthened service delivery, handling over 1.3 crore customer interactions, engaging 2.45 lakh unique users, and generating 34,000+ leads across servicing, collections and origination use cases.

Data and Analytics as a Strategic Enabler

The Company's centralized Data Lakehouse architecture now provides real-time access to performance dashboards, KPIs and cross-functional insights. Users actively leverage curated data assets to support faster decision-making, improved lead conversion, better collections forecasting and enhanced regulatory preparedness. Advanced analytics are increasingly embedded across functions, reinforcing financial discipline and operational excellence.

Technology Infrastructure, Cybersecurity and Resilience

Cloud infrastructure was strengthened through a multicloud, agnostic strategy, enhancing scalability, cost efficiency and data security, while network modernisation across 840+ locations improved reliability and performance. The Company further

reinforced its cybersecurity posture by enhancing people, processes, and technology, and optimizing its cybersecurity tools for improved resilience, faster detection, and stronger threat prevention. The 24/7 Security Operations Centre ("SOC") was upgraded with automated alerting and improved detection rules, enabling quicker response and accurate incident management. Vulnerability management was strengthened through automated scanning, risk-based prioritisation, and integrated patching, reducing exposure and improving remediation timelines. Proactive Red Team assessments by external experts validated control effectiveness and ensured timely closure of gaps. These efforts resulted in your Company achieving a National Institute of Standards and Technology - Cybersecurity Framework ("NIST CSF") maturity score of 3.0 ("Defined and Implemented"), reflecting robust and aligned cybersecurity practices.

During the year, a Cyber Incident occurred wherein single UAT (User Acceptance Testing) database hosted on cloud was compromised. The UAT database did not contain any customer data or sensitive information and hence no customer data was exfiltrated. Neither it impacted any business operations nor caused any downtime. The impacted database was isolated as part of remedial measures and necessary corrective measures were taken, the findings of which were reviewed by Board Committee(s).

Enhanced Insurance Coverage of MMFSL assets

Your Company received its corporate agency license from IRDAI in May 2024 and has since established a robust insurance distribution framework by partnering with various insurance providers to offer a comprehensive range of products catering to diverse customer needs. Building on this foundation, your Company has continued to deepen its market presence in FY2026 by distributing exclusive group insurance products tailored for its existing customers, while simultaneously expanding its retail insurance solutions across Motor and Life insurance segments for both new and existing customers.

Your Company leverages its extensive Pan-India network of over 1,300 branches and offices, staffed by trained and certified personnel who possess a strong understanding of customer needs and are well-equipped to deliver personalised insurance advisory. Your Company has further strengthened its insurer partnerships, providing customers with a broader and more competitive choice of products.

During FY2026, your Company undertook a significant organisational transformation to bring sharper depth and focus across each sub-vertical enabling improved accountability and efficient execution. Concurrently, your Company simplified key processes across sub-verticals including, ensuring leaner workflows and faster turnaround for both customers and partners. Your Company also made significant strides in technology-led transformation, automating several key business processes to streamline and simplify operations. These concerted efforts have resulted

in significantly improved insurance penetration and enhanced service delivery, supported by a dedicated in-house claims team that continues to deliver a superior claims experience. Sustained investment in employee training and capability building has further reinforced the strength of this model, firmly positioning insurance as a strategic lever for risk management across your Company's customer base. The distribution network is powered by a growing team of dedicated employees, comprising Specified Persons and Point of Sales Persons ("PoSP"), ensuring widespread reach and seamless customer service.

Your Company remains committed to deepening insurance penetration, enhancing the quality of customer service, and leveraging technology to build a resilient and future-ready insurance distribution business.

The Company has executed a term sheet with Mahindra & Mahindra Limited ("M&M"), the Promoter and Holding Company and The Manufacturers Life Insurance Company (Manulife) for distribution of insurance products of the proposed 50:50 life insurance joint venture ("JV") between M&M and Manulife, and will formalize the said distribution arrangement post incorporation of JV Company.

Future Growth Enablers

Your Company's vision is to be most trusted financial services partner for Bharat, driven by customer-centricity, digital and AI-led innovation, and sustainable growth. This vision is supported through a diversified product suite and continued investments in capabilities that enable deeper market penetration across customer segments. Growth will be driven through calibrated expansion in core and emerging segments such as pre-owned vehicles, tractors, SME lending, mortgages alongside increased cross-sell across insurance and other financial services.

Digital, data and AI-led capabilities will remain central to the Company's growth strategy, with platforms such as Udaan and analytics-driven decision frameworks enhancing customer acquisition, improving turnaround times and enabling scalable operations. The Company will also continue to expand its ecosystem through partnerships with banks, NBFCs and fintechs, including co-lending and co-origination models, to widen credit access and diversify origination channels. Supported by the growing insurance distribution business, your Company remains well positioned to deliver sustainable growth and improved customer outcomes.

During the year under review, the Board of Directors have accorded in-principle approval for evaluating the proposal for consolidation including Scheme of merger by absorption of Mahindra Rural Housing Finance Limited ("MRHFL"), a 98.43% owned subsidiary of the Company with the Company, subject to further evaluation to be carried out by the Committee of Independent Directors and Audit Committee of the Board and necessary recommendations to be made by them.

NATURE OF BUSINESS

There has been no change in the nature of business and operations of the Company during the year under review.

RBI COMPLIANCES

Pursuant to the Reserve Bank of India's Press Release dated 16th January 2025, your Company has been classified as an NBFC-Upper Layer. The Company remains committed to the highest standards of governance and regulatory compliance. It continues to comply with applicable RBI laws, regulations and guidelines including those relating to capital adequacy, asset quality, and other prudential norms.

BUSINESS CONTINUITY POLICY

In order to have robust framework and process for Business continuity, your Company has in place a Business Continuity Management Policy which includes identification, monitoring, reporting, responding and managing the risks including mitigating risks of a significant/prolonged business disruption in order to protect the interests of the Company's customers, employees and stakeholders. Your Company continues to invest in talent, systems and processes to further strengthen the control, compliance, risk management and governance standards in the organisation.

INTERNAL OMBUDSMAN

In compliance with the applicable RBI directions on Internal Ombudsman, as amended from time to time, your Company has appointed an Internal Ombudsman ("IO"). The Board of Directors at the quarterly Board meetings review number of complaints escalated to IO and status of disposal of such complaints in compliance with the applicable RBI directions.

MACRO FACTORS AND SOURCING OF FUNDS

During the year under review, Reserve Bank of India ("RBI") focused mainly on neutral monetary policy to ensure that inflation durably aligns with the target, while supporting growth. During FY2026, with inflation on a decreasing trend and increasing global uncertainties, RBI reduced the REPO Rate by 100 bps to 5.25%. Liquidity conditions remained in surplus in Q4 FY2026 with the banking sector liquidity remaining largely negative in Q1 FY2026. Inflation in India has remained majorly below 6% (RBI upper tolerance limit) throughout the year. Consumer Price Index ("CPI") inflation was 3.40% in March 2026. Globally, inflation showed a downward trajectory and seems to be moderating paving the way for a growth revival. However, this comes with a caution as successive shocks like the Middle East Conflict, Russian-Ukraine war, and significant US policy changes by new administration in 4 distinct areas viz: trade, immigration, fiscal policy and regulation which is expected to lead to global uncertainty and economic slowdown. The rupee has remained under pressure throughout FY2026 against the US dollar. During Q4 FY2026, it remained volatile primarily on account of proposed US policy changes, US-Iran war, and ended at ₹ 94.8/\$ mark.

The 10 Year G-Sec yield curve has been following a reducing trend from around 7.10% to 6.5% during the financial year. However, it trended upwards in Q4 FY2026 and ended at 7.03%. During the year, interest cost on borrowed funds remained at 7.20% (interest cost to average borrowing) for the Company.

During the year under review, your Company continued with its diverse methods of sourcing funds including funds raised through rights issue, borrowing through Secured Debentures, Term Loans, Securitisation, Fixed Deposits, Commercial Papers etc., and maintained prudential Asset Liability match throughout the year. Your Company availed loans from banks against the Company's Priority Sector Lending ("PSL") eligible lending book at competitive cost. Your Company continues to expand its borrowing profile by tapping new lenders.

Securitisation

During the year, your Company successfully completed Securitisation transactions aggregating to ₹ 9,649 crore.

Non-Convertible Debentures

During the year under review, the Company issued ₹100 crore (face value) through the issuance of Non-Convertible Debentures (NCDs) on a private placement basis. Additionally, the Company received ₹2,976.74 crore (face value ₹2,794.71 crore) towards the balance payment on partly paid NCDs.

As specified in the respective offer documents, the funds raised from issuance of NCDs were utilised for various financing activities, onward lending, repaying the existing indebtedness, working capital and for general corporate purposes of the Company. There was no deviation/variation in use of proceeds raised from the objects stated in the offer document.

The NCDs of the Company are listed on the debt market segment of BSE Limited, and the Company qualifies as a High Value Debt Listed Entity in terms of the SEBI Listing Regulations. As on 31st March 2026, there were no unlisted NCDs. Your Company is in compliance with the applicable guidelines issued by the RBI and Securities and Exchange Board of India in this regard. There has been no default in making payments of principal and interest on the NCDs issued by the Company.

Borrowings

As on 31st March 2026, the Company had an outstanding total borrowing of ₹ 1,20,334.86 crore against outstanding total borrowing of ₹ 1,12,873.47 crore as on 31st March 2025, indicating an increase in borrowings by ~6.61%. The details of outstanding instrument wise borrowing as at 31st March 2026 is given in the Notice of the 36th AGM, being sent with this Annual Report.

In order to expand the business of the Company and to cater the planned disbursements, the Board of

Directors of the Company have, subject to the approval of the shareholders of the Company, approved increase in the overall borrowing limit from ₹ 1,50,000 crore to ₹1,75,000 crore under section 180(1)(c) of the Act.

Credit Ratings

Your Company enjoys highest rating (AAA) for its long-term and short-term borrowing programmes from the credit rating agencies. CRISIL Ratings Limited ("CRISIL") & India Ratings and Research Private Limited ("India Ratings") rated for its Non-Convertible Debentures program, Commercial Paper, Banking Facilities & Fixed Deposits. Further, CARE Ratings Limited ("CARE") and Brickwork Ratings India Pvt. Ltd. ("BWR") has rated your Company for the Non-Convertible Debentures program. These rating agencies have re-affirmed the highest credit rating for your Company's short-term & long-term borrowing instruments. Your Company believes that its credit ratings and strong brand equity enables it to borrow funds at competitive rates. The details of ratings are given in the Corporate Governance Report, forming part of this Annual Report.

Capital Adequacy

As on 31st March 2026, the Capital to Risk Assets Ratio ("CRAR") of your Company was 18.84% which is well above the minimum requirement of 15% CRAR prescribed by RBI. Out of the same, Tier I capital adequacy ratio stood at 16.66% and Tier II capital adequacy ratio stood at 2.18% respectively.

SHARE CAPITAL

Public Issue-Rights Issue of Equity Shares in FY2026

During the year under review, your Company has raised an amount of ₹ 2996.16 crore via allotment of 15,44,41,240 Equity Shares of the face value of ₹ 2 each for cash at a price of ₹ 194 per Equity Share (including premium of ₹ 192 per Share) in the ratio of 1 (one) Rights Equity Share for every 8 (eight) fully paid-up Equity Share of the Company, held by the eligible Equity Shareholders on the Record Date i.e. 14th May 2025. The Rights offering witnessed high levels of subscription and strong participation from Shareholders and investors, with 166.73% oversubscription of the issue size. The proceeds from the Rights Issue have been fully utilised for the objects of the Rights Issue as mentioned in the Letter of Offer filed with the Securities and Exchange Board of India ("SEBI") and there was no deviation from the same. Consequently, pursuant to the allotment of Rights Shares on 9th June 2025, the issued, subscribed and paid-up Equity Share Capital of the Company increased from 123,55,29,920 Equity Shares to 138,99,71,160 Equity Shares of the face value of ₹ 2 each, fully paid-up amounting to paid up equity share capital of ₹ 277.99 crore.

The Company has neither issued any convertible instruments during the year nor has any outstanding convertible instruments as on 31st March 2026.

Thus, none of the Directors of the Company hold instruments convertible into equity shares of the Company. Details of Restricted Stock Units ("RSUs") granted to Executive Director are given in the Corporate Governance Report forming part of this Annual Report.

ECONOMY

Global Economy

The global economy in Calendar Year ("CY") 2025 operated in an environment marked by elevated geopolitical uncertainties, persistent trade fragmentation and relatively tight financial conditions, which continued to weigh on economic activity across regions. Escalating geopolitical conflicts and renewed supply-side disruptions exerted pressure on energy and commodity markets, resulting in heightened volatility in crude oil and freight costs during the year. Against this backdrop, global growth is expected to moderate from approximately 3.4% in CY 2025 to 3.1% in CY 2026, reflecting weaker investment activity, subdued manufacturing output and softer global demand conditions. Inflationary pressures, although moderating compared to previous years, are expected to remain elevated at around 4.4% in CY 2026 due to higher energy prices, resilient services inflation and persistent wage pressures across several economies. Higher interest rates and elevated sovereign debt levels continued to constrain fiscal flexibility and borrowing conditions, particularly across emerging market and developing economies. In addition, rising trade tensions, increased defence spending and geopolitical fragmentation may continue to pose risks to medium-term global growth and financial stability. However, ongoing investments in technology, energy transition initiatives and supply-chain diversification efforts are expected to support resilience and improve long-term economic prospects.

Domestic Economy

The Indian economy continued to demonstrate resilience during FY2026 despite escalating geopolitical tensions, global trade disruptions and volatility in commodity markets. Strong domestic demand, sustained government capital expenditure and healthy growth in manufacturing and services sectors supported economic activity, enabling India to remain among the fastest-growing major economies globally. GDP growth for FY2026 stood at 7.6%, while the growth outlook for FY2027 remains robust at around 6.9%, supported by strong domestic consumption, infrastructure investments and easing external trade pressures. Inflationary pressures remained relatively contained, with CPI inflation moderating to 3.4% in March 2026, although elevated global crude oil prices and supply disruptions arising from the West Asia conflict continued to pose upside risks. India's external sector remained resilient, aided by strong services exports, record remittance inflows and foreign exchange reserves exceeding USD 700 billion. Gross GST collections remained strong, crossing ₹ 2 lakh crore in

recent months, reflecting resilient consumption trends, improving compliance and continued formalisation of the economy. However, rising freight costs, supply-chain disruptions and shipping uncertainties continued to impact merchandise trade and logistics activity. Nevertheless, continued focus on fiscal consolidation, infrastructure development, manufacturing incentives and digital public infrastructure is expected to strengthen India's medium-term growth prospects and macroeconomic stability.

Management Discussion and Analysis

In accordance with the applicable provisions of the Master Direction- Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Corporate Governance

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to Integrity and transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from M/s. Makarand Joshi & Co ("MMJC"), Company Secretaries, Secretarial Auditor, certifying compliance with all the conditions of Corporate Governance forms part of this Annual Report.

Ethics Framework

The Ethics & Corporate Governance framework is anchored by clearly defined policies and procedures, covering areas such as Anti-Bribery and Anti-Corruption Policy ("ABAC"), Policy on Gifts & Entertainment ("G&E"), Policy on Prevention of Sexual Harassment at Workplace ("POSH"), Whistle-Blower Policy ("WB") to ensure robust Corporate Governance. New joiners are mandatorily required to undertake e-learning modules on the Company's Code of Conduct ("COC"), POSH and ABAC. In addition to this, an Annual Compliance Declaration Module on COC is mandated for all the employees. The Code of Conduct Committee and the Audit Committee ensures that the Ethics & Governance framework is executed effectively and the decisions on substantiated cases are taken in a fair, just and consistent manner across business.

The Code of Conduct and aforementioned Company's policies are accessible on the Company's website in the Governance section at the Web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

Investor Relations

During the current year, your Company has met several investors and analysts-both domestic and international. These sessions were undertaken through

a mix of one-on-one or group meetings. Your Company also participated in multiple domestic conferences organised by reputed broking houses, in addition to accessing overseas investors through Non-Deal Roadshows ("NDRs").

Your Company holds quarterly and annual earnings calls through structured conference calls and/or web-links, details of which are made available to public through the Company's website and stock exchange(s). During these meetings/earnings calls, the interactions are based on generally available information accessible to the public in a non-discriminatory manner. Your Company believes in transparent communication and have been voluntarily disclosing critical information regarding Company's performance through quarterly updates.

Silent period

As a good governance practice, your Company voluntarily observes a 'Silent/Quiet period' starting from 1st day of the start of the month after the end of the quarter for which the financial results are to be announced till the time of announcement of said results. During the silent period, no meetings with investors/analysts/funds are held to discuss financial performance of the Company to ensure protection of the Company's Unpublished Price Sensitive Information ("UPSI").

Consolidated Financial Statements

The Consolidated Financial Statements of your Company, its subsidiaries and joint venture for FY2026, prepared in accordance with the relevant provisions of the Companies Act, 2013 ("the Act") and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated Financial Statements of the Company, along with relevant documents and financial statement of the subsidiaries of the Company are available on the website of the Company and can be accessed at the web-link: <https://www.mahindrafinance.com/investors/disclosures-reg-46-62/financial-information> .

SUBSIDIARIES AND JOINT VENTURE

A report on the performance and financial position of the Company's subsidiaries and joint venture is included in the Consolidated Financial Statements and the salient features of their financial statements and their contribution to overall performance of the Company as required under Section 129(3) of the Companies Act, 2013 ("the Act") read with Rule 8(1) of the Companies (Accounts) Rules, 2014, is provided in Form AOC-1, annexed as 'Annexure A' to the Consolidated Financial Statements and forms part of this Annual Report.

Material Subsidiary

Your Company does not have any material subsidiary for the financial year ended 31st March 2026 in terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Operational and performance highlights of the Company's Subsidiary/Joint Venture Companies for FY2026

Mahindra Insurance Brokers Limited ("MIBL")

MIBL, a wholly owned subsidiary of the Company is engaged in the business of providing direct insurance broking services for Corporate and Retail customers and offers a range of products across the Non-Life and Life segments. MIBL is also engaged in the business of reinsurance broking, catering to the insurance requirements of insurance companies.

MIBL delivered strong financial performance in FY2026, with total income rising 21% year-on-year to ₹ 1,497.36 crore. Profit before tax increased to ₹ 157.03 crore from ₹ 123.92 crore, and profit after tax improved to ₹ 113.59 crore from ₹ 88.78 crore, reflecting healthy growth in profitability. The Company also received aggregate dividends of ₹ 177.32 crore from MIBL during the year. During the year under review, the Net Premium facilitated for the Corporate and Retail business lines grew by 15%, increasing from ₹ 3,979.87 crore in FY2025 to ₹ 4,590.46 crore in FY2026.

Mahindra Rural Housing Finance Limited ("MRHFL")

MRHFL, the Company's 98.43% owned subsidiary, is engaged in providing housing finance solutions across rural, semi-urban and urban India. During FY2026, MRHFL reported a total income of ₹ 1,175.04 crore as compared to ₹ 1,196.70 crore in the previous year, reflecting a marginal decline of 1.81% year-on-year. MRHFL demonstrated a significant turnaround in profitability, with profit before tax of ₹ 77.68 crore as against a loss of ₹ 304.58 crore in the previous year, and profit after tax of ₹ 58.01 crore as compared to a loss of ₹ 227.94 crore in the previous year. During the year, MRHFL disbursed loans aggregating to ₹ 3,171 crore, serving over 13,344 households, as compared to ₹ 2,023 crore in the previous year, indicating strong growth in business volumes. MRHFL continues to focus on improving operational efficiencies and expanding its footprint in the affordable and prime housing segments.

Mahindra Manulife Investment Management Private Limited ("MMIMPL")

MMIMPL acts as an Investment Manager for the schemes of Mahindra Manulife Mutual Fund ("Mutual Fund"). As on 31st March 2026, MMIMPL managed 27 Mutual Fund schemes. The Assets Under Management ("AUM") in these 27 schemes increased to ₹ 32,264 crore as on 31st March 2026 as compared to ₹ 27,090 crore as on 31st March 2025 delivering a growth

of 19%. Assets under equity and hybrid schemes stood at ₹ 30,045 crore as against ₹ 24,441 crore in the previous year, reflecting a growth of 22.93%. As on 31st March 2026, MMIMPL had empanelled 36,872 distributors, and now has 14,93,880 investor accounts across its schemes. During the year under review, the total income of MMIMPL was ₹ 114.11 crore as compared to ₹ 87.71 crore for the previous year. The operations for the year under consideration have resulted in a profit before tax of ₹ 6.50 crore as against a loss of ₹ 10.06 crore during the previous year.

Mahindra Manulife Trustee Private Limited ("MMTPL")

MMTPL acts as the Trustee to Mahindra Manulife Mutual Fund ("Mutual Fund"). During the year, MMTPL earned trusteeship fees of ₹ 63.66 lakhs and other income of ₹ 14.24 lakhs as compared to ₹ 99.14 lakhs and ₹ 14.62 lakhs, respectively, for the previous year. MMTPL recorded a profit before tax of ₹ 23.16 lakhs for the year under review as compared to profit before tax of ₹ 61.82 lakhs in the previous year.

Mahindra Ideal Finance Limited (Sri Lanka) ("MIFL")

Your Company holds a 58.2% stake in MIFL with a total investment of ₹ 77.97 crore. Leveraging Mahindra Finance's expertise of over 30 years in the financial services sector and the local management's expertise of the domestic market, MIFL is poised to build a leading financial services business in Sri Lanka.

With improving economic and business environment witnessed in Sri Lanka, MIFL recorded significant rebound in its business activities. MIFL recorded a total disbursement of Sri Lankan Rupee ("LKR") 57.6 Bn with disbursements in the vehicle lending business at LKR 18.4 Bn, a growth of 107% over FY2025 and gold loan disbursements at 39.2 Bn, an increase of 95% over FY2025. As on 31st March 2026, MIFL GS3 level dropped to 1.73%, which is industry leading in the context of the Sri Lankan market. The Company achieved year-round collection efficiency of more than 100% in FY2026. MIFL's total income for the FY2026 was LKR 4,262 Mn vs LKR 2,741 Mn of FY2025. PBT in FY2026 was LKR 819 Mn an increase of 193% over FY2025 PBT of LKR 279 Mn and PAT in FY2026 was LKR 478 Mn, a growth 227% over FY2025 PAT of LKR 146 Mn. MIFL continued investments in increasing its reach to grow the business. The branch network grew to 37 branches, covering the length and breadth of the country. Investments were made in various IT initiatives to enhance the customer and user experience, while driving efficiencies across the Company's business processes.

During the year, MIFL issued unsecured, subordinated, redeemable debentures aggregating up to LKR 1.00 billion (approximately INR 30.12 crore) through a public issue to meet the capital adequacy requirement. The debentures are listed on the Colombo Stock Exchange with effect from 7th April 2026.

Mahindra Finance CSR Foundation

Mahindra Finance CSR Foundation is a wholly owned subsidiary of Company registered under Section 8 of the Companies Act, 2013, incorporated to promote and support CSR projects and activities of the Company and its group Companies.

Joint Venture

Mahindra Finance USA LLC ("MFUSA")

MFUSA's retail and dealer disbursement registered a decrease of 9.1% to USD 703.11 million for the year ended 31st March 2026 as compared to USD 803.93 million for the previous year.

Total income decreased by 3.4% to USD 79.37 million for the year ended 31st March 2026, as compared to USD 82.16 million in the previous year. Profit before tax declined to USD 20.67 million from USD 22.67 million, while profit after tax decreased by 8.2% to USD 15.54 million from USD 16.93 million in the previous year.

Subsidiaries, Joint Venture or Associate Companies

During the year under review, no companies have become/ceased to be the Company's Subsidiaries, Joint Venture/Associate Companies.

FIXED DEPOSITS

The Company's Fixed Deposit ("FD") programme continues to enjoy the highest degree of safety and timely servicing, as reflected in the reaffirmation of its ratings of 'CRISIL AAA/Stable' and 'IND AAA/Stable' by CRISIL Ratings Limited and India Ratings & Research Private Limited.

The Company offers a diverse range of fixed deposit schemes with competitive rates and technology enabled service delivery, catering to both retail and corporate investors, while continuing to expand its presence in rural and semi-urban markets.

During the year, the Company mobilised ₹ 6,776.75 crore through fixed deposits, with the consolidated deposit book standing at ₹ 14,196.03 crore as at 31 March 2026, supported by an investor base of over 88,581.

Digital initiatives in Fixed Deposits

The Company continues to enhance customer experience through digital channels, including its App and website, by improving FD journey. Transparency and servicing have been strengthened through periodic renewal reminders and improved digital access. Key initiatives include a simplified FD booking process and a WhatsApp-based AI chatbot for servicing, including balance checks, nominee updates and e-receipt access.

With respect to Fixed Deposits accepted by the Company, there has been no default in repayment of

principal or interest on fixed deposit during the year under review.

As a Non-Banking Financial Company, the disclosures under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 read with Sections 73 and 74 of the Companies Act, 2013 are not applicable to the Company.

The information pursuant to Chapter V of Master Direction DOR.FIN.REC.No.265/03.10.119/2025-26 dated 28th November 2025 issued by the Reserve Bank of India (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025, regarding unpaid/unclaimed public deposits as on 31st March 2026, is furnished below:

- I. Total number of accounts of Public Deposits of the Company which have not been claimed by the depositors after the date on which the deposit became due for repayment: 2855
- II. Total amounts due under such accounts remaining unclaimed beyond the dates referred to in clause (i) as aforesaid: ₹ 3.45 crore.

Reminders are being sent to the Depositors to claim their unclaimed amounts. Measures taken by the Company to reduce unclaimed amount include penny drop testing, reaching out to investors through SMS/ Calls/Email/Physical Letters, assisting nominees and legal heir on claim settlement process. Further, communications were sent to deposit holders whose nomination is not registered, encouraging them to avail the nomination facility. The Company is continuously improving and evolving its operational practices to reduce the unclaimed amounts pertaining to Fixed Deposits.

Transfer of Unclaimed amounts pertaining to Fixed Deposits to IEPF

Pursuant to Section 125 of the Companies Act, 2013 read with the IEPF Rules, the Company transferred ₹ 0.30 crore towards unclaimed matured fixed deposits and ₹ 0.04 crore towards unclaimed interest to the IEPF during FY2026. Depositors can claim the same from the IEPF in accordance with the prescribed procedure.

LOANS AND ADVANCES

During the year under review, the Company has not given any loans and advances in the nature of loans to its Directors or subsidiaries or associate or to firms/companies in which Directors are interested. Accordingly, the disclosure of particulars of loans/ advances, etc., as required to be furnished in the Annual Accounts of the Company pursuant to Regulation 34[3] and 53(1)[f] read with paragraph A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

Particulars of Loans, Guarantees or Investments in Securities

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013 ("the Act") with respect to loans. Further, the Company has not provided any guarantees falling within the purview of Section 186 of the Act. Pursuant to the provisions of Section 186(4) of the Act, details with regard to the investments made by the Company, as applicable, are given in Note no. 51 (iv) of the Standalone financial statements, forming part of this Annual Report.

ACHIEVEMENTS DURING THE YEAR

Awards/Recognitions received by your Company

CSR

- Awarded for Significant Achievement in the CSR Domain Excellence by CII-ITC Sustainability Awards 2025.
- Honoured with "Best Financial Inclusion Initiative" awards at the prestigious DNA Awards 2025.
- Awarded with Gold Award for Environmental Sustainability and Silver Award for Education & Skills Development.

Sustainability

- Ranked 4th at BW Business World India's Most Sustainable Companies 2025 in the Financial Services and Insurance & Asset Management category.
- Ranked 49th among India's most sustainable companies by BW Businessworld for sustainability leadership.
- Continued participation in Dow Jones Sustainability Index ("DJSI") with a score of 49 in CY2025, maintaining a position as one of the leaders in the Diversified Financial Services in India.

Accounts

- Awarded with Silver Shield in Category of Financial Services Sector (including NBFC other than Banking and Insurance) at the prestigious ICAI Awards for Excellence in Financial Reporting 2024-25.

EMPLOYEE STOCK OPTION SCHEME/ RESTRICTED STOCK UNIT PLANS

With a view to continue the practice of rewarding performance of the employees of its subsidiaries, creating ownership culture and to retain, motivate and attract talent in light of growing business, the Company has obtained the approval of members for formulation of Mahindra & Mahindra Financial Services

Limited - Subsidiaries Restricted Stock Units Plan 2026 ("MMFSL Subsidiaries RSU Plan 2026") by way of Special Resolution passed via postal ballot on 7th February 2026.

Your Company has existing Restricted Stock Unit Plans namely Mahindra & Mahindra Financial Services Limited-Restricted Stock Unit Plan 2023 ("MMFSL RSU Plan 2023") and Mahindra & Mahindra Financial Services Limited - Employees' Stock Option Scheme 2010 ("MMFSL ESOS Scheme 2010"). During the year under review, your Company granted 10,36,734 "RSUs" to the eligible employees under MMFSL RSU Plan 2023. No options/RSUs were granted to the eligible employees under the MMFSL ESOS Scheme 2010 and MMFSL Subsidiaries RSU Plan 2026. The Company does not have any scheme to fund its employees to purchase the shares of the Company.

The MMFSL ESOS Scheme 2010, MMFSL RSU Plan 2023 and MMFSL Subsidiaries RSU Plan 2026 of the Company are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2012 ("SBESE Regulations") and there were no amendments to the aforesaid Scheme and Plan during FY2026. A Certificate from M/s Makarand Joshi & Co. ("MMJC"), Company Secretaries, Secretarial Auditor of the Company for FY2026, certifying that the Company's above-mentioned Schemes/Plans have been implemented in accordance with the SBESE Regulations and the resolution passed by the Members, would be made available for inspection by the Members through electronic mode at the AGM scheduled to be held on 21st July 2026.

The above-mentioned Schemes/Plans and applicable disclosures as stipulated under SBESE Regulations for the year ended 31st March 2026 can be accessed on the Company's website at the web-link: <https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports> and at <https://www.mahindrafinance.com/investor-relations/disclosures-under-regulation-46-and-62-of-sebi-lodr>

SUSTAINABILITY VISION

Mahindra Finance has transitioned and evolved its sustainability vision from an outcome-focused approach in FY2023-25 to include a process-driven framework in FY2026 by embedding Environmental, Social and Governance ("ESG") principles into its business model. This includes establishing processes to integrate environmental and social considerations into the Company's risk and control systems, and systematically incorporating sustainability as a decision-making tool across business operations, including site selection, procurement, contractor management, audit, maintenance and end-of-life processes. The strategic transition is reflected in the materiality refresh undertaken at the end of FY2025 and applied in FY2026 focused on environment (emissions, climate change and responsible products), social (human capital, diversity & inclusion and customer well-being)

and governance (corporate governance, ethics and risk & controls) pillars. The transition is also reflected in the multi-level implementation through a dedicated Sustainability Team, enhanced Board/ CSR Committee review and supervision.

Sustainability Roadmap

The Company has outlined a 10-year sustainability roadmap in its Integrated Report, covering initiatives undertaken since FY2023 and structured across defined phases.

In FY2023, the Company declared its Science Based Targets Initiative (SBTi) targets across Scope 1, 2 and 3 emissions and identified year-wise initiatives to show progress till the target year of FY2032. Several initiatives have been implemented in Phase I (FY2023-2026) including stabilisation of Scope 1 emissions, ~29%, reduction in Scope 2 emissions and ~60% reduction in Scope 3 emissions. The scope emission reduction trends were an outcome of initiatives undertaken in energy saving (~8% reduction), water conservation (~17% reduction), renewable energy adoption (3,700 GJ increase) and waste reduction (~82% reduction) over the Phase I period.

In FY2023, the Company undertook a climate change risk assessment in 1,300+ branches/offices of Mahindra Finance to understand physical climate change risks related to flood, heat and high wind-based events. The outcome of the study was actioned in FY2024 and initiatives focused on upgraded infrastructure, installation of heat-resilient equipment, early warning systems and incorporation of physical climate change hazards in site screening and periodic evaluation checklists were implemented in Phase I.

Social Initiatives- Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion ("DE&I") remain central to Mahindra Finance's vision of fostering a workplace that values and empowers every individual. In FY2026, focused efforts were made to address gender gaps, promote equity, and embed inclusive practices across the organization, with a commitment to continued progress in the years ahead.

Empowering Women

Initiatives like Prarambh provided specialized training to women from Tier-III and Tier-IV cities, resulting in 70+ hires in frontline roles. The SOAR Program enabled women professionals to return to impactful roles after career breaks with support enabled through carefully crafted mechanisms. Focused recruitment drives across 50+ locations introduced diverse talent into key positions across branches.

Progressive Policies

Policies such as maternity transition support, IVF reimbursement, menstrual wellness, caregiving assistance and gig working opportunities were enhanced to create equitable opportunities and address the evolving needs of the workforce.

Fostering inclusion

Inclusion-focused programs like Mahindra Finance World of Women ("MWoW") consisting of members throughout the country and additional support members from the entire FSS sector has made significant strides in fostering inclusivity and empowerment by driving multiple initiatives and sessions within the Company. Initiatives like Perspective Building Sessions, Spectrum 2025 - Inclusion Week, which engaged over 6,500 employees, and sensitization workshops such as nurturing psychologically safe workplaces, perspective building sessions, drove awareness and allyship across teams.

Recognition and Future focus

Participation in forums and thought leadership platforms reinforced the organization's commitment to driving systemic change and fostering inclusive growth.

Looking ahead, DE&I will continue to be a key focus area, with plans to scale initiatives, deepen impact, and build a workplace that reflects Mahindra Finance's purpose-driven approach to empowering lives and communities.

Customer Engagement

During FY2026, the Company strengthened its call centre operations (available 365 days, except national holidays) across 10 languages, implemented skill upgradation programmes for customer facing staff, and established a centralised resolution team to address bureau-related concerns with faster turnaround and to improve customer satisfaction.

Business Responsibility and Sustainability Report

Your Company continues to uphold high standards of regulatory compliance and transparency through disclosure of sustainability initiatives in the public domain.

In compliance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has disclosed its Business Responsibility and Sustainability Report ("BRSR") as a part of its Integrated Report ("IR"). Your Company has disclosed data on 'leadership indicators' in BRSR over the last three years and is reporting on all leadership parameters defined in the nine principles of 'BRSR Section C Principle Wise Performance Disclosure'. Your Company has undertaken a third party reasonable assurance for BRSR core principles, and limited assurance for BRSR non-core principles and "Value Created for Stakeholders" section in the IR.

Integrated Reporting

Your Company is pleased to present its holistic performance for FY2026, in the Integrated Report of the Company. This report includes details such as the organisation's strategy, governance framework,

performance and prospects of value creation based on the six capitals- Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural capital.

CORPORATE SOCIAL RESPONSIBILITY

Established in 1991, Mahindra Finance continues to play a pivotal role in extending financial services across underserved regions of India. Guided by its philosophy of *#TogetherWeRise*, the Company remains committed to fostering inclusive and sustainable growth beyond its core business operations.

Through its Corporate Social Responsibility (“CSR”) initiatives, the Company focuses on key areas such as Financial Inclusion, Education, Livelihood, Healthcare and Environment sustainability, aimed at addressing critical social needs and empowering underprivileged communities. These initiatives are aligned with the Company's broader objective of creating long-term social impact by enabling individuals and communities to improve their quality of life and achieve sustainable development.

CSR Committee

Your Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013 to assist the Board and the Company in fulfilling the corporate social responsibility objectives of the Company. The Committee presently comprises of the following Directors:

Name	Category
Ms. Padmaja Chunduru (appointed as Chairperson of the Committee w.e.f. 28 th January 2026)	Independent Director
Mr. Diwakar Gupta (ceased as Chairperson and continued to be a member of the Committee w.e.f. 28 th January 2026)	Independent Director
Mr. Vijay Kumar Sharma	Independent Director
Mr. Raul Rebello	Managing Director & CEO

During the year under review, 3 (three) CSR Committee Meetings were held, details of which are provided in the Corporate Governance Report. The CSR Committee inter-alia, reviews and monitors the CSR as well as ESG activities.

CSR Policy

The CSR Policy approved by the Board, encompasses the approach and guidance given by the Board, taking into account the recommendations of the CSR Committee, including principles for management of the CSR Project(s)/Program(s) and formulation

of the Annual Action Plan which has been hosted on the website of the Company at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

During the year under review, the Policy was reviewed as part of the annual review process and was found to be in alignment with the applicable regulatory requirements; accordingly, no changes were considered necessary.

Key CSR Achievements for FY2026

During FY2026, the Company continued to drive impactful CSR initiatives across Education & Livelihood, Healthcare and Environment, with a strong focus on financial inclusion, sustainability and community empowerment.

‘Dhan Samvaad’ - CSR Flagship Program

Your Company's flagship financial literacy programme, Dhan Samvaad, focuses on empowering gig workers, self-employed individuals, and small entrepreneurs through practical, participatory learning and improved access to formal financial systems. Aligned with RBI's Financial Literacy Vision 2025 and national priorities, the programme has benefited over 0.5 million individuals since inception.

Impact created: The initiative reached over 2.77 lakh beneficiaries across 45+ districts in 8 states, reflecting its wide geographical outreach. Women constituted 38% of the participants, with over 1.05 lakh female beneficiaries engaged. Adoption of DigiLocker was notably high at 84%, covering over 2.33 lakh beneficiaries, indicating strong digital integration. Additionally, around 80% of beneficiaries, equivalent to over 2.23 lakh individuals, were successfully linked to various social security schemes, demonstrating effective inclusion outcomes.

The programme continues to strengthen financial awareness, digital inclusion, and access to government schemes, enabling informed financial decision-making and improved financial resilience.

Saksham Scholarship Project

Under the Saksham Scholarship initiative, your Company extended financial assistance to approximately 4,435 students from economically disadvantaged backgrounds, supporting education from school to post-graduation and promoting inclusive access to learning.

Employability Skills Training Project

The Company trained over 1,270 youth (70% women) across 6 states under its employability programme in ITES/BPO and related domains. Placement rates ranged between 40%-60%, with monthly salaries ranging from ₹ 13,000 to ₹ 20,000, contributing to sustainable livelihood creation.

Nanhi Kali

Project Nanhi Kali supports girls in Classes 6-10 through life skills, digital literacy, financial awareness, and sports-based development, enabling a smooth transition to higher education and career. In FY2026, your Company supported nearly 20,000 girls across 12 districts in 5 states, promoting holistic development and gender equity.

Mahindra Pride Classroom

Through Mahindra Pride Classroom, over 83,500 final-year female students at Pan India received structured employability training, enhancing their readiness for the workforce. Placement support was facilitated through initiatives such as *Job Utsav*.

Mahindra Pride Skill Centres

Under Mahindra Pride Skill Centres, 1,000 women were trained from 2 states across sectors such as IT/ITES, retail, and hospitality, with around 80% successfully placed, strengthening women's economic empowerment.

Project Hariyali

In FY2026, your Company planted 14,500 saplings across 95 farmer's lands in 3 villages of Dahod district of Gujarat, while also supporting maintenance of earlier plantations, contributing to biodiversity, carbon sequestration and supplementary farmer income.

Additionally, your Company extended support for the maintenance, nurturing, and survival of previously planted saplings during FY2024 under Project Hariyali in the Araku region of Andhra Pradesh, ensuring long-term impact and sustainability of afforestation efforts.

Water Conservation Project

Your Company has continued its water conservation efforts in Murbad and Shahapur (Thane, Maharashtra), creating a cumulative storage capacity of 11.34 crore litres over the last four years, supporting household and agricultural needs. In FY2026, the Company constructed 10 rainwater harvesting structures and 1 farm pond, expected to conserve 1.13 crore litres annually, benefiting around 2,500 rural beneficiaries. These initiatives contribute to improved water security, agricultural productivity, and long-term sustainability.

Project Sehat

Under its healthcare initiatives, your Company implemented the Ambulance Donation Project to improve access to emergency and preventive healthcare. In FY2026, 9 ambulances were donated to 9 selected NGOs based on a rigorous evaluation process, strengthening last-mile healthcare delivery in underserved areas. Additionally, nationwide blood donation drives were conducted, resulting in collection of over 3,075 units of blood. These initiatives continue to enhance healthcare access, support critical needs, and strengthen community well-being.

Employees Volunteering

Your Company continued to promote employee participation in CSR initiatives, with over 18,300 employees (80%) contributing 68,000+ hours through virtual and on-ground programmes such as Blood Donation Drives, Swachh Bharat, Samantar and Gyandeep. In addition, the Company supported other causes including education grants, leprosy awareness, day care centres and initiatives for underprivileged communities, reinforcing its commitment to social responsibility and community engagement.

Stakeholder Engagement

In FY2026, your Company organised the 4th 'CSR Implementation Partners' Meet on 30th January 2026, bringing together 27 representatives from 13 partner organisations for collaboration, knowledge-sharing, and capacity building. During the meet, three partners were recognised as Best CSR Implementation Partners 2026, and workshops were conducted on ESG for NGOs and effective grant management practices.

The Company also hosted two Independent Directors at its flagship Dhan Samvaad programme, enabling direct engagement with communities and strengthening Board-level guidance on programme effectiveness and scalability. Further, in partnership with Tech Mahindra Foundation, the Company facilitated employability exposure for youth, including a corporate immersion visit of 30 trainees to the Company's Mumbai office, providing practical insights into workplace environment and career pathways.

CSR Spend

As per the provisions of Section 135 of the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”), the Company's prescribed CSR obligation for FY2026 was ₹ 47.75 crore, against which it has spent ₹ 47.78 crore during the year, thereby ensuring that 100% of the CSR obligation has been met. Further, in terms of the CSR Rules, Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2026.

Annual Report on CSR Activities

The Annual Report on the CSR activities undertaken by your Company during the year under review, as prescribed in the CSR Rules, as amended, encompassing the salient features is set out in “**Annexure I**” of this Report.

Impact Assessment of CSR Projects

In compliance with Rule 8(3) of the CSR Rules, 2014, the Company has undertaken impact assessment for eligible CSR projects and engaged independent agencies for the same. Impact assessment was carried out for projects including Nanhi Kali, Mahindra Pride,

Women Economic Empowerment, Project Hariyali, and Project Swabhimaan. The Executive Summary of the Impact Assessment Reports is annexed as Annexure 1 to this Report, and the detailed reports are available at: <https://www.mahindrafinance.com/together-we-rise#csr-reports>

As a best practice, your Company conducts third-party financial audits of its CSR projects on voluntary basis to ensure transparency, accountability and effective utilisation of funds.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with rule 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form No. MGT-7, is available on the Company's website and can be accessed at the web-link: <https://www.mahindrafinance.com/investor-relations/financial-information#annualreports.com>

BOARD & ITS COMMITTEES

Board

Your Company recognises and embraces the importance of a diverse Board in its success. The confluence of Directors on the Board with different knowledge and skills, perspective, regional and industry experience, cultural and geographical background ensures that your Company retains its competitive advantage.

As on 31st March 2026, the Board of your Company consisted of 10 Directors comprising a Non-Executive Chairperson, Managing Director & CEO, 3 Non-Executive Non- Independent Directors and 5 Independent Directors, of whom 2 are women Independent Directors.

Committees constituted by the Board of Directors

The Board Committees are in compliance with the requirements of the relevant provisions of applicable laws and statutes. The details of the Board Committees along with their composition, powers, terms of reference, etc. are given in the Report on Corporate Governance, which forms part of this Annual Report.

Audit Committee

The composition of Audit Committee is in compliance with the requirement prescribed under the Act, Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and the Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025. All members of the Committee are non-executive directors possessing financial literacy,

and expertise in accounting or financial management related matters.

As on 31st March 2026, the Audit Committee comprised of 4 Independent Directors and 1 Non-Executive Non-Independent Director:

Name	Composition & Category
Mr. Diwakar Gupta	Chairperson of the Committee (Independent Director)
Mr. Milind Sarwate	Independent Director
Mr. Vijay Kumar Sharma	Independent Director
Mr. Amarjyoti Barua	Non-Executive Non-Independent Director
Ms. Padmaja Chunduru (appointed as member of the Committee w.e.f 28 th January 2026)	Independent Director

During the year under review, 6 Audit Committee Meetings were held, details of which are disclosed in the Corporate Governance Report. The terms of reference of the Audit Committee remained unchanged during the year. All the recommendations of the Audit Committee were approved and accepted by the Board during the year under review.

Meetings and Postal Ballot

Board Meeting

The Board of Directors met 8 times during the year i.e. on 22nd April 2025, 2nd May 2025, 8th May 2025, 22nd July 2025, 28th October 2025, 8th December 2025, 28th January 2026 and 31st March 2026, as against the statutory requirement of at least four meetings. The requisite quorum was present at all the Board Meetings and the maximum time gap between any two Meetings did not exceed 120 days. These Meetings were well attended. The 35th AGM of the Company was held on 22nd July 2025 through Video Conference. During the year under review, no Extraordinary General Meeting ("EGM") of the Members was held.

Postal Ballot

During the year under review, members had approved the following resolutions passed through postal ballot:

- Appointment of Ms. Padmaja Chunduru (DIN: 08058663) as an Independent Director of the Company for a first term of five consecutive years commencing from 10th November 2025 to 9th November 2030 (both days inclusive), not liable to retire by rotation.

- Appointment of Mr. Parag Rao (DIN: 02436612) as a Non-Executive Non-Independent Director of the Company with effect from 10th December 2025, liable to retire by rotation.
- Introduction and implementation of 'Mahindra & Mahindra Financial Services Limited - Subsidiaries Restricted Stock Units Plan 2026'.
- Provision of money by the Company to Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust to fund the subscription of equity shares in terms of Mahindra & Mahindra Financial Services Limited- Subsidiaries Restricted Stock Units Plan 2026.

The voting results were announced on 9th February 2026 and submitted to the stock exchanges where securities of the Company are listed. Detailed information on the Meetings of the Board, its Committees, and the AGM is included in the Report on Corporate Governance, which forms part of this Annual Report.

Meetings of Independent Directors

The Independent Directors met twice during the year under review, on 13th October 2025 and 31st March 2026. The Meetings were conducted without presence of the Executive Director, the Non-Executive Non-Independent Directors, or any other Management Personnel to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

Directors and Key Managerial Personnel

Appointment/Re-appointment of Directors during FY2026 and up to the date of this report pursuant to recommendation of NRC and approval by Board:

- Re-appointment of Ms. Rebecca Nugent as an Independent Director
The members of the Company have at their AGM held on 22nd July 2025, approved the re-appointment of Ms. Rebecca Nugent (DIN: 09033085) as an Independent Director of the Company for a second term of five consecutive years, commencing from 5th March 2026 to 4th March 2031, not liable to retire by rotation.

Appointment of Ms. Padmaja Chunduru as an Independent Director

The Board appointed Ms. Padmaja Chunduru (DIN: 08058663) as an Additional Director (Independent) for a 1st term of 5 consecutive years with effect from 10th November 2025 up to 9th November 2030, not liable to retire by rotation. Ms. Padmaja Chunduru possesses integrity and relevant proficiency, which would bring tremendous value to the Board and to the Company. Ms. Chunduru possesses the requisite skills and capabilities required for the role of Independent Director of the Company and her appointment on the Board would be in the interest of the Company.

Appointment of Mr. Parag Rao as a Non-Executive Director

The Board appointed Mr. Parag Rao (DIN: 02436612), as an Additional Director (Non-Executive, Non-Independent Director) of your Company, with effect from 10th December 2025, liable to retire by rotation. Mr. Parag Rao is Growth Leader - Financial Services and Senior Management Personnel of Mahindra & Mahindra Limited (Holding and Parent Company of the Company) effective 27th October 2025. Mr. Rao brings over three decades of experience in banking, digital transformation and business leadership, having held key leadership roles at HDFC Bank, where he managed diverse portfolios including payments, technology and liability product management.

The members of the Company have approved the appointment of Ms. Padmaja Chunduru and Mr. Parag Rao as Directors of the Company via Postal Ballot on 7th February 2026.

Appointment of Mr. Krishna Kumar Sukumaran Nair as a Non-Executive Director

The Board of Directors appointed Mr. Krishna Kumar Sukumaran Nair (DIN: 11673376) as an Additional Director (Non-Executive, Non-Independent) with effect from 23rd June 2026, who would represent Life Insurance Corporation of India ("LIC"), which holds 10.26% of the paid-up share capital of the Company as on 31st March 2026. He has been nominated by LIC, to replace Mr. Ashwani Ghai, representing LIC on the Board, whose term would end on 22nd June 2026. The Board places on record its sincere appreciation for the valuable contributions made by Mr. Ashwani Ghai during his tenure and acknowledges his guidance and commitment to the Company. The approval of the Members for appointment of Mr. Krishna Kumar Sukumaran Nair as a Director

of the Company will be sought at the ensuing 36th AGM and the necessary resolution forms part of the Notice convening the AGM. Board is of the view that appointment of Mr. Krishna Kumar Sukumaran Nair will add value to the Board's deliberations and enhance the overall effectiveness.

Retirement by Rotation

In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Amarjyoti Barua (DIN: 09202472), Non-Executive Non-Independent Director is liable to retire by rotation and, being eligible, has offered himself for re-appointment at the ensuing 36th AGM of the Company. During the year under review, no Director including any Independent Director of your Company resigned from the Company.

Fit and Proper and Non-Disqualification declaration by Directors

All the Directors of the Company have provided annual confirmation that they satisfy the "fit and proper" criteria as prescribed under Chapter IV of RBI Master Direction No. RBI/DOR/2025-26/344 DOR.GOV.REC. No.263/18-10-013/2025-26 dated 28th November 2025, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164 (1) and (2) of the Companies Act, 2013.

Declaration by Independent Directors

All the Independent Directors of your Company have given their declarations and confirmation that they fulfil the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that all the Independent Directors hold highest standards of integrity and possess the relevant proficiency, expertise and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management of the Company.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by Indian Institute of Corporate Affairs, Manesar ("IICA") and the said registration is renewed and active as on the date of this report. The Independent Directors of the Company are either

exempted from the requirement to undertake the online proficiency self-assessment test conducted by IICA or have cleared the online proficiency self-assessment test as applicable.

Key Managerial Personnel

The following persons were designated as the Key Managerial Personnel ("KMP") of your Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as on 31st March 2026:

- 1. Mr. Raul Rebello, Managing Director & CEO
- 2. Mr. Pradeep Kumar Agrawal, Chief Financial Officer
- 3. Ms. Brijbala Batwal, Company Secretary

During the year, there was no change in Key Managerial Personnel.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ("the Act") your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- i. In the preparation of the annual accounts for financial year ended 31st March 2026, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. They had in consultation with the Joint Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2026 and of the profit of the Company for the year;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts for financial year ended 31st March 2026 on a going concern basis.
- v. They have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March 2026.

- vi. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March 2026.

Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a structured framework for the annual performance evaluation of the Board, its Committees, Individual Directors and the Chairperson. The evaluation was carried out during the year under review in accordance with the criteria and methodology approved by the Nomination and Remuneration Committee ("NRC") and in alignment with the applicable regulatory requirements and the Code of Independent Directors. The process involves a structured questionnaire-based assessment covering, inter-alia, Board effectiveness, strategic oversight, governance practices, Committee functioning, and individual directors' contribution, participation, independence, and leadership attributes. The evaluation is conducted through a secure online platform ensuring confidentiality, with the results reviewed by the NRC, the Independent Directors and the Board at their respective meetings. The process and criteria are aligned with SEBI's guidance note on Board evaluation, as updated from time to time and also disclosed in Corporate Governance Report.

Outcome and results of the performance evaluation

All the Directors of your Company as on 31st March 2026 participated in the evaluation process. They expressed satisfaction with the Evaluation process. During the year under review, NRC ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and individual Directors. The evaluation outcomes for the year under review were deliberated upon at length with the Board members, committee chairpersons and individual Directors. The results reflected a good level of engagement and diligence by the Board and its various committee.

The Board and its Committees were observed to have functioned effectively, in compliance with their terms of reference, supported by timely, qualitative, and comprehensive information, and constructive participation at meetings facilitated by the Chairman. This enabled effective discharge of responsibilities with a strong focus on governance and internal controls. Board members appreciated the effective performance of the Board and Committees during the year, including the continued deepening of focus in risk management, ESG, subsidiary oversight, as agreed last year, in line with leading governance practices.

Based on the evaluation outcome, the Board agreed to enhance its focus on AI related developments and continue to uphold high standards of performance and governance to enhance value for all stakeholders.

Familiarisation Programme for Directors

Your Company has in place a structured familiarisation programme for all Directors, including Independent Directors, to provide insights into its business operations, industry landscape, regulatory framework, and macro-economic environment. Directors are regularly updated on significant developments and provided relevant documents to enable informed decision-making.

Independent Directors are briefed on their roles and responsibilities through formal letters of appointment and are periodically updated through Board/Committee meetings, strategic presentations, and interactions with senior management and business heads. The Company also provides access to a secured Board portal, enabling seamless access to Board materials, policies, Annual Reports, and governance documents, ensuring transparency and effective participation.

In compliance with the Companies Act, 2013 and Regulation 25(7) of the Listing Regulations, the Company conducted familiarisation programmes for its Directors, including Independent Directors, during the year. These were undertaken through briefings at Board and Committee meetings.

Key initiatives in FY2026 included organising in-person one day training programme for certain Board members on IT and Cyber Security at IDRBT, Hyderabad, as mandated by the RBI, visits by certain Board members to the Company's Central Processing Centre ("CPC") for operational insights, and exposure visits for certain Directors to CSR project sites, including interactions with beneficiaries of the Company's financial literacy programmes.

Details of such programmes are available on the Company's website at: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program> and also form part of the Corporate Governance Report.

Policies on Appointment of Directors and Senior Management and Remuneration of Directors, Key Managerial Personnel And Employees

i) Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management

In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 ("the Act") read with Section 178 of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), your Company has

adopted a Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management, which, inter-alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management team, succession planning for Directors and Senior Management, and the Talent Management framework of the Company. During the year under review, the Policy was reviewed as part of the annual review process and was found to be in alignment with the applicable regulatory requirements; accordingly, no changes were considered necessary. The said policy is available on the website of the Company and can be accessed at: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

ii) **Policy on Remuneration of Directors and Remuneration Policy Key Managerial Personnel, Senior Management and other Employees of the Company**

Your Company has also adopted the Policy on Remuneration of Directors and the Policy on Remuneration of Key Managerial Personnel, Senior Management and other Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act, Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 and Listing Regulations. The said Policies were reviewed as part of the annual review process and was found to be in alignment with the applicable regulatory requirements; accordingly, no changes were considered necessary. The said Policies are uploaded on the website of the Company and can be accessed at the Company's website at: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Your Company uses various industry standard systems to enable, empower and engender businesses and also to maintain its Books of Accounts. The transactional controls built into these systems ensure appropriate segregation of duties, the appropriate level of approval mechanisms and maintenance of supporting records. The systems,

Standard Operating Procedures and controls are reviewed by the Management.

Your Company's Internal Financial Controls are deployed through Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), that addresses material risks in your Company's operations and financial reporting objectives. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("ICFR") issued by The Institute of Chartered Accountants of India. The risk control matrices are reviewed on a quarterly basis and control measures are tested and documented on a quarterly basis. The Company has IT systems in place making the ICFR process completely digital and strengthening the review and monitoring mechanism. Based on the assessments carried out by the Management during the year, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed.

To mitigate the risk of Internal Financial Controls becoming inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Joint Statutory Auditor's certification on internal financial controls

The Joint Statutory Auditors of your Company viz. M/s. M M Nissim & Co LLP, Chartered Accountants (ICAI Firm Registration Number: 107122W/W100672) and M/s. M.P. Chitale & Co., Chartered Accountants (ICAI Firm Registration Number: 101851W) have examined the internal financial controls of the Company and have submitted an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting as at 31st March 2026.

RISK BASED INTERNAL AUDIT FRAMEWORK

In compliance with RBI circular dated 3rd February 2021, the Company has in place an effective Risk Based Internal Audit ("RBIA") Framework to review the efficacy of internal controls, processes, policies and compliance with laws and regulations, with the objective of providing an independent and reasonable assurance on the adequacy and effectiveness of the organisation's internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The Audit Committee approved a RBIA framework, along with appropriate processes and plans for internal audit of FY2026. The Risk Based Internal Audit Plan is also reviewed by the Joint Statutory Auditors, Senior leadership, Chief Risk Officer, Chief Compliance Officer before being approved by the Audit Committee. The internal audit plan is developed based on the risk profile of the audit universe including business activities, functions, branches, application systems of the organisation. The RBIA plan includes thematic and process audits, branch audits and Information Technology ("IT") & Information Security ("IS") audits. Internal audits are undertaken on a periodic basis to independently validate the adequacy and effectiveness of controls. Based on the reports of internal audit, function/process owners undertake corrective action in their respective areas. Significant audit observations are presented to the Audit Committee along with agreed management plan. The status of the management actions and implementation of the recommendations are tracked for all the observations and are presented to the Audit Committee on a regular basis.

The Internal Auditor reports to the Audit Committee of the Board, to ensure independence from the management.

Separate meetings between the Head of Internal Audit and the Audit Committee

Separate meetings between the Head of Internal Audit and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. The meetings were held on 22nd April 2025, 21st July 2025, 28th October 2025 and 28th January 2026.

Risk Management

Pursuant to the provisions of the applicable Regulatory and Statutory provisions, your Company has in place a duly approved Risk Management Policy and a structured risk management framework to identify, assess, monitor, and mitigate various risks faced by the Company in the conduct of its business. The Company's risk management framework is designed to ensure timely identification of risks, assessment of their potential impact, and implementation of appropriate mitigation measures, along with strengthening of internal control systems. The risk assessment and minimisation procedures followed by the Company, including the status of key risks and mitigation actions, are periodically placed before the Risk Management Committee and the Board of Directors for review and guidance. The Risk Management Policy, inter-alia, provides for identification, evaluation, and management of key risks, including credit risk, operational risk, cyber security and information technology risks, as well as such other risks which, in the opinion of the Board, may threaten the existence or sustainability of the Company. The Risk Management Committee ("RMC"), oversees the integrated risk management process of the Company and periodically reviews the Risk Management Policy, risk appetite, and the risk

management strategy in line with the Company's business objectives and regulatory requirements.

The risk management process has been implemented across the organisation and is embedded across all major functions. It is aligned with the Company's strategic and operational objectives and is designed to identify, assess, and respond to risks that may impact the achievement of these objectives. The Company has established a robust organisational framework for managing and reporting risks, supported by regular reviews, control mechanisms, self-assessment processes, and monitoring of key risk indicators.

Operational Risk Management: Your Company implements an Operational Risk Management ("ORM") Policy to proactively manage operational risks. The policy involves assessing and measuring risks, monitoring them closely, and implementing mitigating measures through a structured governance framework. All new products, processes, and changes as well as new financial outsourcing arrangements undergo thorough risk evaluation by the Operational Risk team through various relevant frameworks and Committees such as Product Management Committee, Change Management Committee, etc. In terms of the latest Regulatory guidance note on Operational Risk Management and Operational Resilience, your Company is in compliance with all the applicable key themes specified.

Credit Risk Management: The Company has implemented a robust credit risk management framework to enable proactive identification, mitigation, and continuous monitoring of credit exposures. The framework is further strengthened through the implementation of an Early Warning System ("EWS"), which utilizes a combination of financial, behavioral, and transactional indicators to identify early signs of stress. This allows for timely intervention, enhanced monitoring, and appropriate remedial actions, thereby minimizing credit deterioration and improving portfolio stability. Additionally, the scorecard-based credit assessment models across key lending segments to ensure consistent, objective, and data-driven credit decision-making. The scorecards are periodically reviewed and recalibrated to reflect evolving risk dynamics and portfolio performance. The credit risk framework is supported by a strong governance structure, comprising well-defined credit policies, delegated approval authority, independent risk oversight, and regular review of portfolio trends and EWS alerts, ensuring alignment with the Company's risk appetite and regulatory expectations.

Risk Containment Unit: The Company has an effective Risk Containment Unit ("RCU") in place that performs screening and sampling verification of customer profiles and supporting documents to identify potential anomalies from the Fraud Risk perspective at on-boarding stage. The RCU team conducts detailed investigations into suspected fraud cases and reports such matters to the appropriate competent authorities/

committees, in accordance with the prescribed RBI guidelines and internal processes.

In compliance with the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, the Company has adopted an Internal Capital Adequacy Assessment Process (“ICAAP”) Policy. The ICAAP framework is designed to ensure that the Company maintains adequate capital commensurate with its risk profile and business requirements, and to support an effective and comprehensive risk management system.

The Chief Risk Officer (“CRO”), along with members of senior management, periodically apprises the RMC and the Board of Directors on matters relating to risk assessment and management, including the processes for identification and evaluation of risks, key risk exposures, movement in risk grades and the effectiveness of measures implemented to manage and mitigate such risks.

AUDITORS AND AUDIT REPORTS

Joint Statutory Auditors and their Reports

Basis the recommendation of the Audit Committee and the Board of Directors, the members of the Company at the 34th AGM held on 23rd July 2024, had approved the appointment of M/s. M M Nissim & Co LLP, Chartered Accountants (ICAI Firm Registration Number: 107122W/W100672) and M/s. M.P. Chitale & Co., Chartered Accountants (ICAI Firm Registration Number: 101851W) as the Joint Statutory Auditors of your Company for a term of 3 consecutive years to hold office from conclusion of 34th AGM up to the conclusion of 37th AGM to be held in the year 2027. The Joint Statutory Auditors hold valid peer review certificate as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”). Their appointment is in compliance with the Policy for appointment of Statutory Auditors of the Company as per applicable RBI Guidelines. The Joint Statutory Auditors have given confirmation on their continued eligibility and non-disqualification as per the said policy.

The Joint Statutory Auditors of the Company have issued clean/unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended 31st March 2026. The report(s) do not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor and Audit Report

In compliance with Regulation 24(A) of Listing Regulations as amended vide SEBI notification dated 12th December 2024 and basis the recommendation of the Audit Committee and the Board of Directors, the members of the Company at the 35th Annual General Meeting held on 22nd July 2025, had approved the

appointment of M/s. Makarand M Joshi & Co. (“MMJC”), Company Secretaries (ICSI Unique Identification No. P2009MH007000) and (Peer Review No. 6832/2025) as the Secretarial Auditor of your Company for a term of 5 consecutive years to hold office from conclusion of 35th AGM up to the conclusion of 40th AGM to be held in the year 2030.

In accordance with the provisions of Section 204 of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder, MMJC has issued clean Secretarial Audit Report for FY2026 which is appended to this Report as “Annexure II”. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Audit of Material Subsidiary

There is no material unlisted Indian Subsidiary of the Company as on 31st March 2026 and the requirement under Regulation 24(A) of the Listing Regulations regarding the Secretarial Audit of material unlisted Indian Subsidiary is not applicable to the Company for FY2026.

Annual Secretarial Compliance Report

In compliance with Regulation 24A of Listing Regulations, your Company has undertaken an audit for FY2026 for all the applicable compliances as per Listing Regulations, 2015 and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report (“ASCR”) issued by M/s. Makarand M Joshi & Co. (“MMJC”), Company Secretaries, Secretarial Auditor and a Peer Reviewed Firm, has confirmed compliances by the Company with respect to Insider Trading Regulations, Related Party Transactions, updation of Policies, disclosure of material events to Stock Exchanges etc. The Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remark. The same has been filed with BSE and NSE and can be accessed on the Company's website at <https://www.mahindrafinance.com/investor-relations/regulatory-filings#secretarial-compliance-report>.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Companies Act, 2013 are not applicable in respect of the business activities carried out by your Company.

Fraud Reporting

During the year under review, the Joint Statutory Auditors and the Secretarial Auditor have not reported any instance of fraud committed in the Company by its officers or employees, involving an amount of less than ₹ 1 crore to the Audit Committee under section 143(12) of the Companies Act, 2013.

Further, there has not been any instance of fraud committed in the Company by its officers or employees, involving an amount of ₹ 1 crore and above.

The Company is reinforcing its commitment to trust, integrity and transparency through enhanced measures for compliance, risk management, and governance.

RELATED PARTY TRANSACTIONS

Your Company has in place a robust process for approval of Related Party Transactions and on dealing with Related Parties.

All transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. Omnibus approval of Audit Committee is obtained for Related Party Transactions which are of repetitive nature, which are reviewed on quarterly basis by the Audit Committee as per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013. Necessary details for each of the Related Party Transactions as applicable along with the justification are provided to the Audit Committee in terms of the Company's Policy on Materiality of and Dealing with Related Party Transactions and as required under SEBI Master Circular dated 30th January 2026.

The Company has not entered into contracts/ arrangements with related parties referred to in sub-section (1) of section 188 of the Act and a confirmation to this effect as required under Section 134(3)(h) of the Companies Act 2013 is given in form AOC-2 as "Annexure III", which forms part of this Annual Report. In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the ‘Policy on Materiality of and Dealing with Related Party Transactions’, is available on the Company's website: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

The transactions of the Company with any person/ entity belonging to the promoter/promoter group which holds 10% or more shareholding in the Company as required pursuant to Para A of Schedule V of the Listing Regulations is disclosed separately in the financial statements of the Company. Members of the Company had approved entering into Material Related Party transaction with Mahindra & Mahindra Limited, (Promoter/Holding Company and a Related party) and Life Insurance Corporation of India (“LIC”) (holds 10.26% of shareholding in the Company and Related Party) under Regulation 23 of the Listing Regulations. During the year under review, the aggregate value of the transactions entered with Mahindra & Mahindra Limited or LIC did not exceed the materiality threshold as prescribed under Regulation 23 of the Listing

Regulations. The Company has sought member's approval for entering into a material Related Party Transactions with LIC for enabling fund-based and non-fund-based facilities. Further details on the transactions with related parties are provided in the accompanying financial statements.

Whistle Blower Policy

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees, and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company's Code(s) of Conduct or Corporate Governance Policies or any improper activity, through the channels provided below.

The Whistle Blower Policy provides for protected disclosure and protection for the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. Apart from reaching out to any Senior leader, the Whistle-blower can make a Protected Disclosure by using any of the following channels for reporting:

- 1. Email ID: ethics.mmfsl@mahindrafinance.com
- 2. Independent third party Ethics Helpline Service
Toll free No: 000 800 100 4175
- 3. Chairperson of the Audit Committee

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

During the year, the Company received 9 whistle blower complaints. All the cases were investigated and appropriate actions were taken, wherever necessary basis investigation reports. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review. During the year, no person was denied access to the Chairperson of the Audit Committee/Audit Committee.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Details of employees who were in receipt of remuneration of not less than ₹ 1,02,00,000 during the year ended 31st March 2026 or not less than ₹ 8,50,000 per month during any part of the year, as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available during 21 days before the Annual General Meeting in electronic mode to any Shareholder upon request sent at the Email ID: company.secretary@mahindrafinance.com.

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in 'Annexure IV'.

DISCLOSURE IN RESPECT OF REMUNERATION/ COMMISSION DRAWN BY THE MANAGING DIRECTOR & CEO

Mr. Raul Rebello, Managing Director & CEO of the Company did not receive any remuneration or commission from Holding/Subsidiaries of the Company during FY2026. The details of the remuneration drawn by him is given in Corporate Governance Report form part of this Annual Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH ACT")

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited. Your Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company ensures that no employee is disadvantaged by way of gender discrimination. The POSH Policy is available on the website of the Company and can be accessed at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

Your Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment. During FY2026, the Company had received four

complaints of sexual harassment, all of which were duly disposed of within the stipulated timelines. No complaints remained pending for more than 90 days, being the prescribed period for completion of inquiry under the POSH Act. Further, no cases were pending as on 31st March 2026.

During the year under review, the Company conducted several workshops and awareness initiatives on the subject. An online e-learning module on Prevention of Sexual Harassment ("POSH"), covering topics such as sexual harassment, complaint mechanisms, and redressal processes, was made available to employees, over 99% completion achieved. In addition, one training program was conducted for all Internal Complaints Committee ("ICC") members, and a separate POSH sensitization session was held for the HR team.

OTHER DISCLOSURES

Disclosure of Maternity Benefit Compliance

Your Company is in compliance of Maternity Benefit Act, 1961 for the year under review.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 is attached as "Annexure V" to the Board's Report.

Policies

The details of the Key Policies adopted by your Company and changes made therein, if any, during the year under review are mentioned at "Annexure VI" to the Board's Report.

Compliance with the Provisions of Secretarial Standard - 1 and Secretarial Standard - 2

The Directors have devised proper systems to ensure compliance with the provisions of the Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by the Institute of Company Secretaries of India ("ICSI") and such systems are adequate and operating effectively.

Voluntary adherence of Secretarial Standards to all Board Committees

Although, SS-1 compliance is required only for Board and its Committees mandatorily required to be constituted under the Companies Act, 2013 ("the Act"), the Company adheres and complies with most of the good practices enunciated in the said Secretarial Standards for all its mandatory and non-mandatory Board level Committees. Your Company has complied with applicable SS-1 and SS-2, during the year under review.

Significant and material orders

There were no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status of the Company and its future operations.

Disclosure pertaining to Insolvency & Bankruptcy Code

There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 ("IBC") during the year under review.

Disclosure on One-Time Settlement

During the year under review, the Company has not undertaken any one-time settlement in respect of loans availed from Banks or Financial Institutions. Accordingly, the requirement to disclose details of the difference between the valuation at the time of one-time settlement and the valuation at the time of availing such loans, along with the reasons thereof, is not applicable.

General Disclosures

The Directors further state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events related to these items during the financial year under review:

- There was no issue of equity shares with differential rights as to dividend, voting or otherwise;

- There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employee Stock Option schemes referred to in this Report;
- There was no buyback of the equity shares during the year under review;
- There were no voting rights which are not directly exercised by the employees in respect of equity shares for the subscription/purchase for which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013 ("the Act"));
- There was no suspension of trading of securities of the Company;
- There was no revision made in Financial Statements or the Board's Report of the Company;

Acknowledgments

The Board conveys its deep gratitude and appreciation to all the employees of the Company for their tremendous efforts as well as their exemplary dedication and contribution to the Company's performance.

The Directors would also like to thank its shareholders, customers, vendors, business partners, bankers, government and all other business associates for their continued support to the Company and the Management.

For and on behalf of the Board

Place: Mumbai
Date: 24th April 2026

Dr. Anish Shah
Chairperson
DIN: 02719429

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.
Corporate Office: Mahindra Towers, 'A' Wing, 3rd Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018.
Tel: 022 6652 6000
Head Office & Correspondence address: Amiti Building, Piramal Agastya Corporate Park, L.B.S. Main Road, Kamani Junction, Kurla (West), Mumbai - 400 070.
Tel: 022 6652 3500
CIN: L65921MH1991PLC059642
E-mail ID: company.secretary@mahindrafinance.com
Website: www.mahindrafinance.com

ANNEXURE I

Corporate Social Responsibility

Annual Report on Corporate Social Responsibility ("CSR") Activities for FY2026

1. Brief outline on CSR Policy of the Company

At Mahindra & Mahindra Financial Services Limited ("MMFSL" or "the Company"), we sincerely believe that the actions of the organisation and its community are highly interdependent. Both on its own and as part of the Mahindra Group, through constant and collaborative interactions with our external stakeholders, MMFSL strives to become a catalyst in the communities where it operates.

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 objective of the CSR Policy

The objective of the CSR Policy is to lay down guiding principles for the selection, implementation, monitoring and evaluation of CSR initiatives, while articulating the Board's vision and strategic approach towards CSR and community impact, and ensuring that such initiatives create measurable and meaningful outcomes for the communities served.

CSR Thrust Areas

The Company has identified CSR thrust areas for undertaking CSR Projects/programs in India which are aligned with national priorities. The CSR initiatives are geared towards promoting digital and financial inclusion, skills training and enhancing livelihoods, promoting healthcare and sanitation, environmental sustainability and addressing various social issues. Through these commitments, the Company strives to contribute to social equality and build a more inclusive and vibrant society.

Promoting Education:

The Company aims at promoting education among children, youth, adults, women and the elderly.

Financial Literacy and Inclusion:

To address the financial literacy gap and digital divide in the society, the Company focuses on financial and digital literacy programs/projects designed to raise awareness and foster inclusion within marginalized communities and enabling them to make informed choices about their finances and utilise financial services appropriately. The program supports the gig workers, self-employed individuals and small business owners with practical, hands-on learning. The training workshops and personal assistance to access digital tools and government schemes have equipped participants with the skills they need to manage their finances effectively, embrace digital technologies and navigate the complexities of the modern business world.

Skill training and livelihood enhancement:

The Company's skill training initiatives focus on enhancing the skills and capacities of individuals across various demographics, including children, youth, adults, women from economically disadvantaged backgrounds. The goal is to empower them, providing access to opportunities for sustainable livelihoods and fostering overall growth.

Promoting healthcare and sanitation:

The Company through its CSR projects believes in eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

Environmental Sustainability:

Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. The Company focuses on activities ensuring environmental sustainability, tree plantation, management of natural resources and promotion of sustainable technologies.

Others:

From time to time, the Company may identify newer thrust areas, in so far as such activities are as defined in Schedule VII of the Companies Act, 2013.

As per the CSR Policy of the Company, CSR Projects are carried out according to the annual action plan recommended by the CSR Committee and approved by the Board. The Company actively monitors ongoing CSR projects to ensure timely achievement of intended outcomes. The CSR team, monitors the project progress via review of monthly/quarterly narrative & financial reports, conducting field visits and impact assessment studies in line with internal implementation guidelines.

2. Composition of the CSR Committee

CSR Committee composition as at 31st March 2026 and attendance at the CSR meetings during FY2026

Name of Directors	Designation/Nature of Directorship	Number of meetings of CSR Committee		% Attendance
		Held during their tenure	Meetings attended	
Ms. Padmaja Chunduru (appointed w.e.f. 28-01-2026)	Chairperson, Independent Director	-	-	100%
Mr. Diwakar Gupta (appointed w.e.f. 24-07-2024)	Independent Director (Ceased as Chairperson of CSR Committee w.e.f. 28-01-2026, continued as member)	3	3	
Mr. Vijay Kumar Sharma (appointed w.e.f 24-07-2024)	Member, Independent Director	3	3	
Mr. Raul Rebello (appointed w.e.f. 30-04-2024)	Managing Director & CEO	3	3	

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy & Committee:

CSR Policy: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

CSR Committee Composition: <https://www.mahindrafinance.com/about-us/management#committees-of-directors>

CSR Projects: <https://www.mahindrafinance.com/together-we-rise#csr-reports>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company had appointed M/s. Blue Sky Sustainable Business LLP, independent third-party agency to carry out the impact assessment with respect to five CSR Projects completed during FY2023 and FY2024, which met the criteria prescribed for impact assessment. The Executive Summary of the impact assessment for the said projects is provided in the annexure to this report. The web-link for all the impact assessment reports is given below: <https://www.mahindrafinance.com/together-we-rise#csr-reports>

The executive summary and the web-links for the remaining CSR projects undertaken during FY2024 and FY2025, which meet the criteria prescribed for impact assessment, will be provided once the same are completed.

5. (a) Average net profit of the company as per sub-section (5) of section 135

₹ 2387,63,25,183 (Average of FY2025, FY2024, FY2023)

- (b) Two percent of average net profit of the company as per sub-section (5) of section 135
₹ 47,75,26,504
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years
Nil
- (d) Amount required to be set-off for the financial year, if any
Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]
₹ 47,75,26,504

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

₹ 47,36,65,993

(b) Amount spent in Administrative Overheads

₹ 18,39,993

(c) Amount spent on Impact Assessment, if applicable

₹ 22,52,620

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

₹ 47,77,58,605

Notes:

1. Against the mandatory CSR obligation of ₹ 47,75,26,504, the Company has spent ₹ 47,77,58,605 during the year (FY2026), resulting in an excess expenditure of ₹ 2,32,101. As a matter of best practice, the Company has not carried forward or set-off such excess CSR expenditure.
2. In addition to the CSR expenditure of ₹ 47,77,58,605, the Company has incurred ₹ 5,85,682, being interest income earned by the implementing agencies, on funds disbursed for CSR activities during FY2026. Such interest income has been reinvested in the respective projects and utilised for CSR activities. The same has not been included in the CSR expenditure stated above.

(e) CSR amount spent or unspent for the Financial Year (FY2026):

Total Amount Spent for the Financial Year(in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second provision to sub-section (5) of section135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
47,77,58,605	N.A.	N.A.	NA.	N.A.	N.A.

(f) Excess amount for set-off, if any: Not Applicable

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section(5) of Section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year[(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for setoff in succeeding Financial Years [(iii)-(iv)]	

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

Sr. no	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY 2022 - 2023	Nil	Nil	Nil	N.A	N.A	N.A	N.A
2.	FY 2023 - 2024	4,70,55,000	Nil	4,70,50,000	N.A	N.A	Nil	Nil
3	FY 2024 - 2025	Nil	Nil	Nil	N.A	N.A	N.A	N.A

Note

The Company had transferred ₹ 4,70,55,000 vis-à-vis actual unspent ₹ 4,69,15,787.69 to the MMFSL Unspent CSR Account FY2024. The Company has over and above its actual unspent CSR obligation of ₹ 4,69,15,787.69, spent ₹ 1,34,212.31 in excess, aggregating to ₹ 4,70,50,000. The Company had fully spent its unspent CSR obligation of FY2024 in FY2025.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☒

Yes

☐

No

If Yes, enter the number of Capital assets created/acquired

9

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration number, if applicable	Name	Registered address
1	Ambulance- Impact Guru Foundation, A73 Khasra No 254 Min Upper Ground, Chhatrapur Enclave Phase 2, New Delhi, DLO3, Delhi	110074	30-12-2025	11,82,650	CSR00000991	Impact Guru Foundation	A73 Khasra No. 254 Min Upper Ground, Chhatrapur Enclave Phase 2, New Delhi, DLO3, Delhi, 110074
2	Ambulance- Maharashtra Dayanand Society, Vadoli, Near Nilgiri, Hotel Dhanu, Thane, MH32, Maharashtra	401606	30-12-2025	11,52,650	CSR00005088	Maharashtra Dayanand Society	Vadoli, Near Nilgiri, Hotel Dhanu, Thane, MH32, Maharashtra, 401606
3	Ambulance- Shri Neminath Jain Bramhacharyashram (Jain Gurukul), Shri Neminath Jain Bramhacharyashra, 1, Neminath, Tal. Chandwad, Nashik, MH22, Maharashtra	423101	30-12-2025	11,52,650	CSR00021672	Shri Neminath Jain Bramhacharyashram (Jain Gurukul)	Shri Neminath Jain Bramhacharyashra, 1, Neminath, Tal. Chandwad, Nashik, MH22, Maharashtra, 423101
4	Ambulance- Marathwada Navnirman Lokayat - MANAVLOK, Ambajogai, Dist Beed, Beed, MH07, Maharashtra	431517	30-12-2025	11,52,650	CSR00000422	Marathwada Navnirman Lokayat - MANAVLOK	Ambajogai, Dist Beed, Beed, MH07, Maharashtra, 431517
5	Ambulance- Care Guru Foundation, A-33 3Rd Floor, Feroz Gandhi Road, Lajpat Nagar II, New Delhi, DLO3, Delhi	110024	19-02-2026	11,91,004	CSR00086062	Care Guru Foundation	A-33 3Rd Floor, Feroz Gandhi Road, Lajpat Nagar II, New Delhi, DLO3, Delhi, 110024
6	Ambulance- MAHAN, Geetai Nagar, Gopuri, Wardha, MH33, Maharashtra	442001	19-02-2026	11,91,004	CSR00000414	MAHAN	Geetai Nagar, Gopuri, Wardha, MH33, Maharashtra, 442001

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration number, if applicable	Name	Registered address
7	Ambulance- Family Planning Association of India, Bajaj Bhawan , First Floor, Nariman Point, Mumbai, MH18, Maharashtra	400021	20-02-2026	11,91,004	CSR00002424	Family Planning Association of India	Bajaj Bhawan, First Floor, Nariman Point, Mumbai, MH18, Maharashtra, 400021
8	Ambulance- Creation Welfare Society, Rajapur, Dihuli Buzurg, Muzaffarpur, BR22, Bihar	843104	19-02-2026	12,41,004	CSR00002240	Creation Welfare Society	Rajapur, Dihuli Buzurg, Muzaffarpur, BR22, Bihar, 843104
9	Ambulance- Child Help Foundation, 403/404, Sai Arpan Bldg, Sai Complex, P G Vora Road, Mira Road East, MH32, Maharashtra	401107	20-02-2026	11,91,004	CSR00001113	Child Help Foundation	403/404, Sai Arpan Bldg, Sai Complex, P G Vora Road, Mira Road East, MH32, Maharashtra, 401107
Total				1,06,45,620			

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

N.A. for FY2026

Padmaja Chunduru
Chairperson, CSR Committee
DIN: 08058663

Raul Rebello
Managing Director & CEO
DIN: 10052487

Place: Mumbai
Date: 24th April 2026

Annexure 1 - Executive Summary of Impact Assessment Reports

A brief outline of Projects for which Impact assessment was carried out and the executive summary of the impact assessment reports are given below:

A. Nanhi Kali:

Brief description of the project:

Nanhi Kali aims to provide comprehensive support to underprivileged girls studying in classes 6 to 10. Through the Nanhi Kali after school Academic Support Centers ("ASCs"), each girl received access to an AI-powered personalised adaptive learning software preloaded onto digital tablets, that matched instructions to the learning levels of each girl, ensuring that she learnt with understanding. Additionally, every girl was given a school supplies kit which also included feminine hygiene materials for secondary school girls, enabling them to attend school with dignity. A professionally designed sports curriculum was integrated into the program to promote holistic development.

Objective of the project:

The objective of the project is to empower schoolgirls from underserved communities (Classes 6-10) through educational support by operating after-school ASC, while enabling adaptive learning through AI-powered personalised learning tools on digital tablets. The project also aims to promote school attendance and dignity by providing annual school supply kits, including feminine hygiene materials and to foster physical well-being, confidence and holistic development through extracurricular activities and a structured sports curriculum.

- **Project Period:** April 2022 to March 2023
- **Total Outlay and amount Spent:** ₹ 8.02 crore
- **Implementation Partner:** K. C. Mahindra Education Trust in Partnership with Naandi Foundation

Key Findings and Recommendations:

- 92-95% of Nanhi Kalis reported improvement across English, local language and Mathematics, with 97% finding digital learning tools engaging and effective.
- Attendance remained strong at 97%, supported by teacher encouragement (97%) and provision of feminine hygiene materials, with 92% noting reduced absenteeism.
- Student satisfaction and holistic development were notably high, with 99% expressing happiness with kits and sports activities, contributing to improved well-being and confidence.

- Further, 90% of Community Associates felt adequately trained to support students, while 98% of parents expressed satisfaction, observing improvements in academic performance and discipline; the initiative also received positive recognition from government officials for its alignment with existing education programs.

B. Mahindra Pride Program

Brief description of the project:

Mahindra Pride Classrooms ("MPC"): It's the flagship employability skills program of the Mahindra Finance, provides training in English communication, life skills, digital literacy, and interview preparedness to final-year students in Government and Government-aided Colleges, ITIs, and Polytechnic Institutes across India. To support the national priority of increasing women's participation in the workforce, the program transitioned from a youth-focused initiative to one exclusively benefiting women program starting in FY2023.

Apart from skills training, the MPC helps in job placement. MPC also offers skills training in new domains like Agri-skilling, Digital Marketing, New Educator, and Coding.

Objectives of the project:

The project aims to enhance employability of socially and economically disadvantaged youth by providing skill development, communication training, and career guidance, thereby enabling access to opportunities in the organized private sector. It also seeks to create sustainable livelihood avenues by equipping urban and semi-urban youth with industry-relevant skills, leading to improved income levels and overall living standards, particularly for those lacking access to formal skilling programs.

- **Project Period:** April 2022 to March 2023
- **Total Outlay and amount spent:** ₹ 7.50 crore
- **Implementation Partner:** K. C. Mahindra Education Trust in Partnership with Naandi Foundation

Key Findings and Recommendations:

Mahindra Pride Classroom (MPC):

- 83% of respondents reported improvement in communication skills and 79% expressed high satisfaction with training quality, while trainers (90-94%) confirmed that the curriculum and resources were well-aligned with industry requirements.

- ~82% of participants secured job placements with average salaries ranging from ₹ 15,000 to ₹ 20,000, with 30% continuing in the same roles and 29% pursuing higher education influenced by the programme.
- Feedback also indicated improved confidence among women, with increased participation, and strong employer satisfaction citing better preparedness, professionalism, and lower onboarding requirements.

C. Women Economic Empowerment (WEE)

Brief description of the project:

Launched in FY 2022-23, The WEE Project is a flagship CSR initiative of Mahindra Finance, aimed at empowering women from economically weaker sections by enhancing their employability and financial independence. Targeting women aged 18- 35 years, the initiative focuses on “General Duty Assistant (GDA)” training, providing industry-relevant skills to facilitate employment opportunities in the healthcare sector.

Objective of the project:

The project aims to enhance employability of women (18-35 years) by providing placement-linked vocational training in the healthcare sector (GDA role), along with industry-aligned certification and job opportunities. It focuses on enabling financial independence and social empowerment while strengthening partnerships with healthcare institutions to ensure sustainable, demand-driven skill development and career progression opportunities.

- **Project Period:** Sep 2022 to March 2023
- **Total Outlay and Amount spent:** ₹ 1.13 crore
- **Implementation Partner:** Centum Foundation

Key Findings and Recommendations:

- 100% of participants successfully completed the General Duty Assistance (GDA) training programme, with around 85% reporting improved job readiness and communication skills, underscoring its effectiveness in preparing candidates for the healthcare sector.

- The programme achieved an 81% placement rate, with a section of candidates continuing in their roles and reporting income growth from ₹ 10,000 to ₹ 12,000-₹ 15,000 per month.
- While 23% sustained employment over the longer term, others leveraged the training to pursue higher education (62%) or temporarily stepped away for personal reasons (15%), reflecting the programme's role in enabling both employment and broader career progression opportunities.

D. Mahindra Project Hariyali

Brief description of the project:

Mahindra Project Hariyali is a continuation of the Hariyali programme started in 2010 in Araku. This program focuses on natural resource management and global regenerative organic farming protocols as a means to increasing a community's income and improving its agricultural eco-system for an overall well-being of the community. At all locations in Araku, this is achieved by creating farmer's co-operatives/committees, who become a representative body of farmers, and which after training and empowerment ensures that income, marketing and training benefits continue to come to the farmer's to upgrade their skills and awareness for making better informed livelihoods choices.

Objective of the project:

The project aims to promote sustainable agriculture through natural resource management and regenerative organic farming, while enhancing farmers' incomes and livelihood security through diversified agro-forestry models. It also focuses on strengthening farmer institutions, building capacity and market linkages, and developing climate-resilient ecosystems, thereby supporting long-term environmental sustainability and overall community well-being.

- **Project Period:** April 2022 to March 2023
- **Total Outlay and Amount Spent:** ₹ 1.00 crore
- **Implementation Partner:** Naandi Foundation

Key Findings and Recommendations:

- This initiative focuses on restoring degraded lands, enhancing biodiversity, and providing sustainable income for farmer communities.
- Achieved high survival rates at 93.3% for saplings planted in 2022-23.
- Its carbon sequestration potential contributes significantly to India's climate goals
- The initiative has enabled farmers to transition to sustainable livelihoods, fostering economic resilience while preserving ecosystems for future generations.

E. Swabhimaan:

Brief description of the project:

To reduce the difficulties experienced by drivers and their families in their day-to-day lives on a professional and financial level, “SWABHIMAAN - a holistic driver development programme” as a flagship initiative was implemented. It aimed at addressing the professional, financial, and familial level challenges faced by the driver community, and their families. It further contributed to their overall well-being.

Objective of the project:

The project aims to enhance the overall well-being of the driver community by promoting driving skills for improved livelihoods, supporting the education of drivers' children, and strengthening road safety awareness among commercial vehicle drivers to ensure safer mobility and sustainable income opportunities.

- **Project Period:** June 2023 to March 2024

- **Total Outlay and Amount Spent:** ₹ 5.61 crore
- **Implementation Partners:** Don Bosco Tech Society, Synergie Institute of Trade Commerce and Industry, Buddy4Study India Foundation and United Way Mumbai

Key Findings and Recommendations:

- Drivers Training for freshers
 - i. 100% of respondents completed the training.
 - ii. 90% rated the training quality as Excellent; 100% found it useful
 - iii. Beneficiaries reported that receiving a permanent licenses boosted their confidence and professional recognition
- Scholarship for Drivers' Children
 - i. 100% respondents received the scholarship amount.
 - ii. 90%+ reported higher motivation and interest in studies.
 - iii. Career goals expanded to corporate roles, entrepreneurship, and research
- Road Safety Training for Drivers
 - i. 100% respondents attended the training road safety training program
 - ii. 97% rated training quality as good; 78% found it highly relevant.
 - iii. 100% were satisfied with trainers; 92% found them extremely knowledgeable.

ANNEXURE II

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra & Mahindra Financial Services Limited
Gateway Building, Apollo Bunder, Mumbai- 400001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra & Mahindra Financial Services Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering from April 01, 2025 to March 31, 2026 (hereinafter referred as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by the Company for financial year ended on March 31, 2026 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings and Foreign Portfolio Investment (Foreign Direct Investment is not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations') (Not Applicable to the Company during the Audit Period) and
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulation 2018.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

- A. Reserve Bank of India Master Direction/Guidelines, as applicable to Non-Banking Financial Companies, including the following:
 - i. The Reserve Bank of India Act, 1934.
 - ii. Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.
 - iii. Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.
 - iv. Reserve Bank of India (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025.
- B. The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent

Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period:

- 1. Board approved the proposal for fund raising by way of offer and issuance of 15,44,41,240 fully paid-up equity shares of face value of ₹ 2 each (Equity Shares) at issue price of ₹ 194 per equity shares (including a premium of ₹ 192 per equity share) through a rights issue to eligible equity shareholders of the Company.
- 2. The Company has inter-alia passed the following special resolutions in the Annual general meeting held on 22nd July 2025:
 - i. Re-appointment of Dr. Rebecca Nugent (DIN: 09033085) as an Independent Director of the Company for a second term of 5 consecutive years commencing from 5th March 2026 to 4th March 2031 (both days inclusive).
 - ii. Increase in the borrowing limits of the Company for an amount not exceeding ₹ 1,50,000 crore.
 - iii. Approved material related party transactions between the Company and Life Insurance Corporation of India, a shareholder of the Company.

3. Approved the introduction and implementation of the “Mahindra & Mahindra Financial Services Limited – Subsidiaries Companies Restricted Stock Units Plan 2026” (RSU Plan 2026) and the provision of funds by the Company to the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust for subscription of equity shares under the said RSU Plan 2026 via Postal Ballot on 07th February 2026.
4. The Company has issued and allotted Non-Convertible Debentures on Private Placement basis in various tranches the details of which are as follows:

Sr. No.	Particulars	Quantity	Face Value per Debenture (Amount in ₹)
1.	Secured, Rated, Listed, Redeemable Non-convertible Debentures	10,000	1,00,000/-

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000190410

Date: April 24, 2026
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Mahindra & Mahindra Financial Services Limited
Gateway Building, Apollo Bunder,
Mumbai- 400001.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000190410

Date: April 24, 2026
Place: Mumbai

ANNEXURE III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2026, which were not at arms length basis.

2. Details of material contracts or arrangements or transactions at arms length basis

There were no material contracts or arrangements or transactions for the year ended 31st March 2026 as per the provisions of the Companies Act, 2013. Thus this disclosure is not applicable.

For and on behalf of the Board

Dr. Anish Shah
Chairperson
DIN: 02719429

Place: Mumbai
Date: 24th April 2026

ANNEXURE IV

Details pertaining to the remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during FY2026 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2026 is as under:

Name of Director/Key Managerial Personnel ("KMP") as at 31 st March 2026	Designation	% Increase/(Decrease) in Remuneration in FY2026 [Including perquisite value of Employees Stock Option("ESOPs")/ Restricted Stock Units/("RSUs") exercised]	Ratio of the remuneration of each Director to median remuneration [Including perquisite value of ESOPs/ RSUs exercised] of employees for FY2026
Dr. Anish Shah*	Non-Executive Chairman	N.A.	N.A.
Mr. Amarjyoti Barua*	Non-Executive and Non- Independent Director	N.A.	N.A.
Mr. Parag Rao* (appointed w.e.f. 10 th December 2025)	Non-Executive and Non- Independent Director	N.A.	N.A.
Mr. Milind Sarwate	Independent Director	3.17	11.72
Dr. Rebecca Nugent	Independent Director	5.93	9.36
Mr. Diwakar Gupta	Independent Director	3.41	10.93
Mr. Vijay Kumar Sharma (appointed w.e.f. 15 th May 2024)	Independent Director	N.A.	10.05
Ms. Padmaja Chunduru (appointed w.e.f. 10 th November 2025)	Independent Director	N.A.	3.41
Mr. Ashwani Ghai^ (Representing LIC)	Non-Executive and Non- Independent Director	11.91	8.61
Mr. Raul Rebello	Managing Director & CEO	51.48	97.85
Mr. Pradeep Kumar Agrawal (appointed w.e.f. 5 th March 2025)	Chief Financial Officer	N.A.	106.44
Ms. Brijbala Batwal	Company Secretary	20.24	25.16

*In whole-time employment of Mahindra & Mahindra Limited (M&M), the Holding Company. Did not receive any remuneration from the Company during the year.

^ Commission is payable to LIC.

Notes:

1. The remuneration of Independent Directors includes sitting fees and commission.
2. The median calculations are based on employees who were on the rolls of the Company for the whole of FY2025 and FY2026. Percentage increase in remuneration has been reported only for persons who have been associated with the Company for whole of FY2025 and FY2026. Hence, percentage increase in remuneration for Mr. Vijay Kumar Sharma and Ms. Padmaja Chunduru, Independent Directors and Mr. Pradeep Kumar Agrawal, CFO are not provided/considered in this annexure.

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

The median remuneration of employees of the Company during FY2026 was ₹ 6,11,074 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2026 is provided in the above table.

II. The percentage increase in the median remuneration of employees in the Financial Year:

There was an increase of 13.25% in the median remuneration of employees, taking into consideration employees who were in employment for the whole of FY2025 and FY2026.

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

There were 22,637 permanent employees on the rolls of the Company as on 31st March 2026. As on 31st March 2026, there were 21,301 male employees, 1336 female employees and there were no transgender employees on the rolls of the Company.

IV. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than the managerial personnel

in FY2026 was 14.41%, whereas the percentage increase in the remuneration (excluding RSUs) of Key Managerial Personnel (MD & CEO and CS) in FY2026 was 11.72%

Key parameters for variable component of remuneration

The remuneration of Executive Directors is decided basis the individual performance, Company performance, inflation, prevailing industry trends and benchmarks. The remuneration of eligible Non-Executive Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairpersonship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as the Nomination and Remuneration Committee deemed fit were taken into consideration.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time.

V. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid/payable is as per the Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel, Senior Management and other Employees of the Company.

ANNEXURE V

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 for FY2026 are set out hereunder:

(A) Conservation of Energy

Your Company's operations are not energy intensive. However, adequate measures have been initiated across all branches/locations of the Company to reduce energy consumption as your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources.

(i) The steps taken or impact on conservation of energy:

The steps taken on conservation of energy covers:

- (a) Use of 5-star Bureau of Energy Efficiency ("BEE") and Brushless Direct Current Motor ("BLDC") Fans in new and existing branches/locations:
- Replacement of old air-conditioners ("ACs") with 5-star BEE rated machines across 110 branches (550 ACs) with R-410A/R-32 gas, which helps in reducing Ozone depletion. The Company has taken the initiative to use environment friendly gas in air-conditioners during the year. Procurement of 5-star inverter split ACs and replacing old air-conditioning systems with updated versions has led to savings of 198.134 Megawatts Hours ("MWh").
- Replacement of conventional fans with BLDC fans and new procurement of BLDC fans. During the year, 391 BLDC fans were procured across 82 different branches, which would lead to saving of 15.327 MWh of electricity every year.
- Green Power tariff certification obtained for the Office premises situated at 2nd Floor, Piramal Agastya Corporate Park, Kurla, Mumbai and Renewable energy Chennai Circle Office.

- IOT project (energy saving) for 1 branch and Sensor base lighting in major offices like Thane Circle Office and, Mahindra Tower Worli.

- (b) Recycling of waste generation at various locations:

During the year, the Company sent 1,273 Kgs of paper waste generated for responsible disposal and recycling. In return, the Company has received 30 Ream of wheat base paper in exchange of paper waste.

With the above initiatives, your Company was able to ensure zero waste to Land fill.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Your Company is evaluating various options available for harnessing solar power as an alternate source of energy, to be used at its various branches and offices.

(iii) The capital investment on energy conservation equipment's:

Your Company has implemented various projects towards energy conservation to the tune of ₹ 2.96 crore. These projects include use of BLDC fans, use of 5-star BEE air conditioners etc.

(B) Technology Absorption:

Your Company continues to leverage digital, data and AI to strengthen customer experience, improve speed and transparency across journeys, and build scalable operating resilience. With an enterprise-wide digital backbone and AI-led execution engines, the focus has shifted from rollout to value realisation—driving productivity, tighter controls, and analytics-led interventions across lending, servicing and collections.

i) The efforts made towards technology absorption:

Initiatives taken by the Company in Information Technology for improved business efficiency: -

1) Udaan - Enterprise-wide digital backbone (Adoption to Value Realisation)

Udaan has moved from implementation to steady-state, achieving full adoption across key lending, servicing and

collections journeys, enabling standardised workflows, digitisation, improved compliance transparency, and data-led decisioning. Assisted digital lending journeys use analytics, alternative data sources, account aggregators, and automated credit/fraud checks; digital KYC, e-documentation, e-signing and e-mandates reduce manual effort and strengthen consistency and governance.

2) Customer App & Web Portal - Driving digital scale and omnichannel servicing

The Customer App has evolved into an enterprise-scale platform, expanding beyond servicing into loans, investments and cross-sell. Key enhancements include a new Personal Loan journey with end-to-end digital sourcing and instant disbursal, introduction of Customer Web Portal (<https://customer.mahindrafinance.com/>) to extend access beyond mobile, scaling digital payments/mandates and in-app charge payments, and rollout of “Wheels” offers journey with seamless processing via MTezz (employee app for assisted Wheels onboarding journey). These were supported by improvements in overall app experience and engagement.

3) Customerbot - AI conversational servicing across channels

Customerbot provides personalised support across WhatsApp, web and mobile app in multiple Indian languages, enabling instant query resolution, loan applications, payments and service requests. The platform scaled significantly during the year, improving intent understanding and response accuracy through continuous learning from real customer interactions.

4) Data Analytics & AI - Embedding AI as an execution engine (growth, risk, ops, collections, leadership)

AI adoption has progressed from insights to agentic end-to-end execution across underwriting, collections, operations and leadership productivity. A regulatory-grade Lakehouse with medallion architecture supports core use cases and regulatory submissions; AI-governed data catalogue and governance strengthen compliance and enterprise discovery.

5) Network & Infrastructure Modernisation - Strengthening the digital backbone

The Company completed pan-India network modernisation, refreshing 2,000+ EOL/EOS switches and access points, upgrading WAN across 840+ locations, deploying SD-WAN across 220 locations, and expanding data centre bandwidth to support higher volumes, reliability and scalability—while improving resilience and cost efficiency.

6) Cyber Resilience, Security & Privacy - Stronger guardrails and regulatory readiness

Security posture was strengthened through Zero Trust adoption (Zscaler ZPA), Cloudflare WAF (Web Application Firewall) for critical applications, DC (Data Center) - DR (Disaster Recovery) segmentation and redesigned DR (Disaster Recovery) architecture, modernised access governance (VM [Virtual Machines]-based NAC [Network Access Control]), and centralised monitoring (SolarWinds), aligned to RBI expectations. The Company achieved an NIST (National Institute of Standards and Technology) maturity score of 3.0 and ISO 27001:2022 certification, and progressed on DPDP (Digital Personal Data Protection) readiness through RoPA (Records of Processing Activities) and DPIA (Data Protection Impact Assessment) initiation, privacy policy revisions, and strengthening privacy clauses in MSAs (Master Service Agreements)

7) Cybersecurity

The organization continued to strengthen its cybersecurity posture with a clear focus on resilience, regulatory readiness, and proactive risk reduction, aligned with business growth and expansion of its digital footprint. Overall, these initiatives collectively demonstrate a maturing cybersecurity and privacy program, providing stronger assurance to the Board and regulators while enabling the business to scale securely.

8) Technology- RBI Compliance

The Company continues to comply with applicable RBI regulations on IT governance and outsourcing. Key measures include a centralized technology asset inventory, strengthened IT service management with defined SLAs, implementation of immutable backups and full disaster recovery readiness, a comprehensive IT risk assessment framework, and a robust IT outsourcing framework with enhanced vendor due diligence and contractual safeguards.

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

- Udaan: 85% Digital Collections
- Customer App: 14.3L+ cumulative signups; 10X increase in positive customer reviews
- Customerbot: 2.45 lakh unique users; 1.3 crore+ messages exchanged; 34,000+ leads generated

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

Not Applicable.

iv) The expenditure incurred on Research and Development:

Nil

(C) Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings during the year under review. Details of foreign exchange outgo during the year under review is as follows:

₹ in crore		
Total Foreign Exchange Earnings and Outgo	For the Financial Year ended 31 st March 2026	For the Financial Year ended 31 st March 2025
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	2,502.38*	627.81*

*Foreign Exchange Outgo for the financial year ended 31st March 2026 include ECB loan repayment of ₹ 2,491.62 crore (For year ended 31st March 2025 ₹ 589.27 crore).

For and on behalf of the Board

Place: Mumbai
Date: 24th April 2026

Dr. Anish Shah
Chairperson
DIN: 02719429

ANNEXURE VI
POLICIES

Your Company is committed to adhere to the highest standards of ethical, moral and legal business conduct. Considering this, your Company has formulated certain policies, codes, framework, guidelines inter-alia, in accordance with the requirements of Master Direction – Reserve Bank of India (NBFC Governance Direction) 2025 dated 28th November 2025 ("Master Direction"), applicable Reserve Bank of India ("RBI") Guidelines and Circulars, the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable Regulations. Certain policies and codes as mentioned below are available on the Company's website and can be accessed in the Corporate Governance section at the Web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>. These policies, codes, guidelines, framework are generally reviewed annually and are updated as and when needed. During the year, the Company had revised and adopted some of its Policies, guidelines, Codes, framework in order to inter-alia, align the same with regulatory amendments and/or to meet business requirements. A brief description about some of the Key Policies adopted by the Company is as under:

Sr No	Name of the Policy	Brief Description/Objective	Brief of Key/material changes made to the Policies/Guidelines/Codes/Framework during FY2026
1	Whistle Blower Policy	The Vigil Mechanism as envisaged in the Act and Listing Regulations is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	Whistle Blower Policy was amended to strengthen the investigation framework for complaints against senior management and to incorporate provisions relating to loans to related parties.
2	Internal Guidelines on Corporate Governance("IGC")	IGC has been formulated to comply with RBI Notification dated 8 th May 2007 and as updated and amended vide RBI Master Directions from time to time.	IGC was amended to inter-alia, include terms of reference of Committee on Lending to Related Parties ("CLRPP") in compliance with the Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Amendment Directions, 2026.
3	Fair Practices Code ("FPC")	FPC has been devised in accordance with the RBI guidelines on Fair Practices Code to be adopted by NBFCs while doing lending business.	The Fair Practice Code was updated in line with RBI guidelines to enhance borrower protection, strengthen disclosure requirements, streamline timelines for release of securities and documents, and improve the grievance redressal mechanism, including annual reporting to the Board.
4	Staff Accountability Policy	The Company has framed an Staff Accountability policy in accordance with RBI Master Directions. This policy inter-alia addresses the staff accountability issues at an organization level which could be triggered due to various instances like Non adherence to guidelines, Code of Conduct and regulatory actions/penalty.	The Policy was updated to rationalise assessment criteria, streamline timelines, enhance oversight through a structured evaluation framework, and align ownership with the Operational Risk function.

Sr No	Name of the Policy	Brief Description/Objective	Brief of Key/material changes made to the Policies/Guidelines/Codes/Framework during FY2026
5	Policy for Identification & Reporting of Wilful Defaulters and Large Defaulters to CICs (Credit Information Companies)	This policy was formulated in compliance of RBI Master Directions on Treatment of Wilful Defaulters and Large Defaulters dated 30 th July 2024. The objective of the Policy is to report wilful defaulters & large defaulters to CICs on a monthly basis and its specifically covers details of Identification of wilful defaulters, penal measures, and reporting to CICs and aims at ensuring a consistent reporting of an applicant, co-applicant, or guarantor, aiming to mitigate the risk of future on boarding of wilful defaulters and large defaulters.	The Policy was updated in line with RBI directions, including alignment of reporting timelines, refinement of classification criteria and strengthening of related governance processes.
6	Information Security - UIDAI Policy	The Policy has been formulated in compliance with regulatory requirements to establish a comprehensive framework for safeguarding the data and aims to ensure Data Protection, Maintain System Integrity, comply with Legal Requirements, Foster Trust, Promote Continuous Improvement.	The Policy was updated to strengthen governance and align with applicable UIDAI regulations and data protection requirements, with enhancements to access controls, data security practices, incident reporting and personnel-related safeguards.
7	Fraud Risk Management Policy	The Fraud Risk Management Policy aims to establish a robust framework for prevention, early detection and effective investigation of frauds, supported by timely reporting to regulatory and law enforcement authorities. It also seeks to strengthen employee awareness, due diligence processes and coordination mechanisms, including alignment with the Company's whistle blower framework.	The Policy was updated to align with applicable IRDAI guidelines while continuing adherence to RBI directions. The revisions, inter-alia, included incorporation of insurance-specific fraud risk controls, strengthening of governance and reporting mechanisms, and enhancement of training, monitoring and investigation frameworks.
8	Credit Risk Management Policy	The Credit Risk Management Policy establishes a framework for identification, assessment and monitoring of credit risk in the Company's lending operations, in line with RBI guidelines. It defines principles for credit appraisal, risk-based pricing, exposure limits, and management of stressed assets. The Policy also ensures robust governance, portfolio quality, and sustainable growth through prudent risk management practices.	During the year, the Credit Management Policy was updated inter-alia , in line with RBI directions strengthening controls for stressed assets, and subsuming guidelines on lending to directors, senior officers and their relatives aligned with RBI Guidelines.
9	Business Continuity Management Policy ("BCP Policy")	Policy has been formulated to establish a framework for managing Business Continuity Risk and the intended manner in which the Company shall manage the said risks to protect the interests of the Company's customers, employees and stakeholders.	The Policy was updated to align with evolving regulatory guidance, with refinements to definitions, review periodicity and strengthening of business impact assessment and recovery frameworks.
10	Compliance Risk Assessment Framework and Compliance Testing("CRAFT")	CRAFT has been formulated in compliance with RBI Circular dated 11 th April 2022 to inter-alia, assess the effectiveness of regulatory compliance and control effectiveness.	The Framework was revamped to strengthen risk-based compliance monitoring and testing, supported by enhanced use of risk indicators and technology-enabled tools for improved oversight and effectiveness.

Sr No	Name of the Policy	Brief Description/Objective	Brief of Key/material changes made to the Policies/Guidelines/Codes/Framework during FY2026
11	Policy on Co-Lending Model	Pursuant to RBI notification, Board has adopted the Policy to improve the flow of credit to the unserved and under-served sector of the economy and make available funds to the ultimate beneficiary at an affordable cost.	The Policy was updated in line with RBI directions, including rationalisation of structures, recalibration of risk retention norms and enhancements to operational, asset classification and disclosure frameworks.
12	Policy for determination of Materiality of any Event/Information	This Policy requires the Company to make disclosure of events or information which are material to the Company to the Stock Exchanges as per the requirements of Regulation 30 of the Listing Regulations.	The Policy was updated, inter-alia, to align with amendments to the SEBI (LODR) Regulations ("Listing Regulations") and incorporation of references to Industry Standard Note under Listing Regulations
13	Policy on Materiality of and dealing with Related Party Transactions	The Policy has been framed in order to regulate all the transactions between the Company and its related parties.	The Policy was amended, inter-alia, to incorporate revised scale-based thresholds for Material Related Party Transactions and validity of omnibus approvals, in alignment with amended Listing Regulations
14	Policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management	The Policy includes the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management Team in accordance with the criteria laid down in the said Policy, succession planning for Directors and Senior Management and Policy statement for Talent Management framework of the Company.	The Fit and Proper criteria for Directors were integrated into the Policy to enhance clarity and improve ease of comprehension.
15	Code of Conduct for Directors and Code of Conduct for Senior Management and Employees	This Code is the central Policy document outlining the moral and ethical conduct that one must adhere to.	The Code of Conduct for Independent Directors was merged into this Policy, from consolidation perspective.
16	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information("UPSI")	The Code has been formulated to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI") which inter-alia includes Policy for Determination of "Legitimate Purposes".	The Code was amended in order to incorporate the provisions pertaining to revised definition of UPSI, per amendments to SEBI PIT Regulations.
17	Business Responsibility and Sustainability Policy ("BRSR Policy")	BRSR Policy, inter-alia, incorporates sustainability elements and aligns the Policy with National Guidelines on Responsible Business Conduct ("NGRBC").	The BRSR Policy was updated to reflect refinements in its structure and governance framework, along with incorporation of certain regulatory guidelines, as amended.
18	Corporate Social Responsibility ("CSR") Policy	The Policy defines and lays down the guiding principles and strategies implementing the Company's CSR initiatives & outlines the Board's vision and approach for undertaking CSR and creating impact in the communities.	The Policy was aligned with the CSR Policy of M&M Group.

Sr No	Name of the Policy	Brief Description/Objective	Brief of Key/material changes made to the Policies/Guidelines/Codes/Framework during FY2026
19	Policies on Sexual Harassment("POSH")	The Policy on Sexual Harassment is for redressal of complaints received regarding sexual harassment and compliance of other provisions as per the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company from a good governance perspective, has adopted and made the same applicable for its male employees too.	These Policies were reviewed as part of the annual review process. No material changes were considered necessary , as the said Policies were aligned with applicable regulatory requirements.
20	Anti-bribery and Anti-corruption (ABAC) Policy	The Policy was adopted by the Board during FY2022 and designed to provide a framework for ensuring compliance with various legislations governing bribery and corruption globally and provides guidance on the standards of behaviour which the Company's employees must adhere to.	
21	Dividend Distribution Policy	The Dividend Distribution Policy is adopted in compliance with Listing Regulations to guide the Company in making payment of dividends. It specifies a range of Dividend Payout Ratio that the Company would endeavour to maintain.	
22	Policy for appointment of Statutory Auditors	The Policy was adopted in accordance with the provisions stipulated in RBI Circular dated 27 th April 2021 and Companies Act, 2013.	
23	Policy for preservation of documents	The Policy was framed with regard to the preservation of documents in physical and electronic mode.	
24	Policy for Remuneration of Directors	The Policy sets out the approach of the Company towards the Compensation of Directors of the Company.	
25	Policy for determining Material Subsidiaries	The Policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.	
26	Policy on remuneration for Key Managerial Personnel, Senior Management Personnel and other Employees	The Policy sets out the approach towards the Compensation of Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.	



Sr No	Name of the Policy	Brief Description/Objective	Brief of Key/material changes made to the Policies/Guidelines/Codes/Framework during FY2026
27	Archival Policy	As per the Policy, the events or information which has been disclosed by the Company to the Stock Exchanges pursuant to Regulation 30 of the Listing Regulations shall be hosted on the website of the Company for a period of 5 years from the date of hosting on the website.	
28	Compliance Policy	Compliance Policy has been formulated in compliance with RBI Circular dated 11 th April 2022 to inter-alia include compliance monitoring mechanism, testing procedure and reporting requirements including risk assessment.	
Investor Policies			
29	Investor Grievance Redressal Framework	As a good governance practice, the Company has framed an Investor Grievance Redressal Framework which, inter-alia, mentions the grievance handling mechanism, escalation matrix and contact details of concerned team members from the Company and RTA to be contacted in relation to investor related services.	Contact details of team members for escalation of Investor Complaints were updated. Note: During FY2026, the Company has updated and hosted on its website a comprehensive set of FAQs covering key shareholder-related matters including KYC and Nomination, Green Initiative, transfer and dematerialisation of equity shares, transmission of equity shares etc. for the benefit and guidance of investors.
30	Policy on claiming of unclaimed amounts by NCS holders	Policy was adopted by the Board in compliance SEBI circular 8 th November 2023, specifying the process to be followed by the investors for claiming their unclaimed amounts.	The Policy was updated to incorporate regulatory amendments relating to transfer of unpaid/unclaimed amounts to the Investor Education and Protection Fund (IEPF)

New Policies adopted during FY2026:

Sr No	Name of the Policy	Brief Description/Objective
1	Framework on Strengthening Communication between Statutory Auditors and Those Charged with Governance ("TCWG")	Based on the NFRA Circular dated 7 th January 2026 and in line with regulatory guidance and the Group-level governance framework, the Company, in consultation with the Joint Statutory Auditors, has formulated a Framework to strengthen communication between Statutory Auditors and TCWG.
2	Digital Personal Data Protection (DPDP) Policies	Introduced a comprehensive data privacy and protection framework in line with the Digital Personal Data Protection Act, 2023, focused on strengthening data governance, ensuring lawful and transparent handling of personal data, embedding privacy safeguards across processes, and establishing clear standards for data lifecycle management and user consent.

Management Discussion and Analysis

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (Mahindra Finance/MMFSL) is a subsidiary of the Mahindra Group's flagship company Mahindra & Mahindra Ltd. (M&M) (market capitalisation: ₹3.79 trillion as of 23rd April 2026), one of India's leading business conglomerates.

MMFSL is a leading upper-layer deposit-taking non-banking finance company (NBFC) with a strong presence in rural and semi-urban markets (RuSu), providing a wide range of financial products and services. We have had the opportunity to serve over 12 million customers since inception, relying on our extensive network spread across 1,348 offices covering 27 states and seven union territories in India. Our debt instruments carry 'AAA' credit rating which indicates highest degree of safety regarding timely servicing of financial obligations and lowest credit risk.

MMFSL is a formidable player in the financing of new and pre-owned automotive vehicles, including tractors and commercial vehicles. Diversification remains a key strategic priority, with a growing focus on MSME financing, leasing through Quiklyz, and cross-selling of insurance and investment products, underpinned by continued investments in technology, analytics, and partnerships. Guided by its vision to be the “Most Trusted Financial Services Partner for Bharat”, MMFSL continues to strengthen its position in the evolving financial services landscape.

Economy Overview
Global Economy

The global economy in FY2026 operated in an environment marked by elevated geopolitical uncertainties, persistent trade fragmentation and relatively tight financial conditions, which continued to weigh on economic activity across regions. Global output was mainly supported by continued expansion in technology-related investment, and the growing contribution of services trade to global growth. Inflationary pressures generally moderated across major economies as the effects of earlier monetary tightening continued to take hold, enabling several central banks to gradually shift toward a more accommodative policy stance.

However, the global environment remained fragile amid escalating geopolitical tensions. The outbreak of war in the Middle East disrupted energy supplies and trade flows, temporarily elevating fuel and food

prices. Investment patterns continued to evolve, driven by rapid advancements in artificial intelligence, digital infrastructure, and strategic supply chains. Financial markets remained volatile, yet capital flows adapted to shifting conditions, underscoring the system's flexibility. Concerns around energy security and commodity market volatility continued to affect business confidence, even as innovation-led industries and sustainable technologies offered new opportunities to strengthen productivity and support long-term growth.

Global Growth Forecast (%)

	2025	2026 (P)	2027 (P)
World Output	3.4	3.1	3.2
Advanced Economies	1.9	1.8	1.7
• United States	2.1	2.3	2.1
• Euro Area	1.4	1.1	1.2
• Emerging Market and Dev. Economies	4.4	3.9	4.2
• China	5.0	4.4	4.0
• India	7.6	6.5	6.5

Source: IMF World Economic Outlook Report April 2026

Outlook:

The global economic outlook remains challenging amid heightened uncertainty arising from evolving trade policies, geopolitical tensions, and rising global trade fragmentation. Growth is expected to moderate as economies adjust to a less favourable external environment characterized by weaker trade momentum, policy unpredictability, and persistent structural constraints. Rising trade barriers and shifts in global supply chains are likely to weigh on investment sentiment and economic activity, while fiscal pressures and elevated public debt levels continue to limit policy flexibility in several economies.

The global economy is expected to be supported by sustained policy coordination and the rapid pace of technological adoption. While risks remain, opportunities in digital transformation, energy transition initiatives and supply-chain diversification efforts continue to underpin long-term growth prospects.

Indian Economy

The Indian economy continued to demonstrate resilience during FY2026, maintaining its position among the fastest-growing major economies despite escalating geopolitical tensions, global trade disruptions and volatility in commodity markets. Economic activity remained well-supported by domestic drivers, with real GDP growth of 7.6% underpinned by healthy consumption trends, sustained government expenditure on infrastructure and steady momentum across industrial and service sectors. Rural demand remained strong, riding on a good monsoon and robust agricultural activity, while urban consumption showed gradual improvement during the year.

Industrial growth was aided by ongoing infrastructure investments and policy-led initiatives, while services activity remained broad-based, driven by financial services, trade, logistics and digital-led segments. Inflationary pressures eased over the course of the year, with headline CPI inflation moderating to 3.4%

in March 2026, supported by improved food supply conditions and relative stability in key input costs. However, persistent global commodity volatility and supply chain disruptions continued to pose upside risks. Liquidity conditions were actively managed by the Reserve Bank of India (RBI) to ensure sufficient system liquidity, supporting credit flows without creating financial instability.

India’s external position remained stable, supported by strong services exports, steady remittance inflows and comfortable foreign exchange reserves of over USD 700 billion, which provided resilience against global uncertainties. Fiscal indicators remained robust, with GST collections growing 8.3% to 22.3 lakh crores in FY2026, reflecting sustained economic activity, improved compliance and ongoing formalisation. Overall, the macroeconomic environment remained stable, anchored by strong domestic fundamentals, prudent policy measures and continued economic momentum.

Macro-Economic Snapshot - India

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Real GDP growth (%)	6.5	3.9	(5.8)	9.7	7.0	7.6	6.5	7.6
Average CPI Inflation (%)	3.4	4.8	6.2	5.5	6.7	5.4	4.6	2.1
Average WPI Inflation (%)	4.3	1.7	1.3	13.0	9.6	(0.7)	2.3	0.7
Merchandise exports (Y-o-Y % Growth)	9.1	(5.0)	(7.5)	44.8	6.9	(3.1)	0.1	0.9
Merchandise imports (Y-o-Y % Growth)	10.3	(7.6)	(16.6)	55.3	16.8	(5.9)	6.9	7.6
Current account balance (% of GDP)	(2.1)	(0.9)	0.9	(1.2)	(2.0)	(0.7)	(0.6)	(0.6)
Exchange Rate (Rs. /\$ - avg)	69.9	70.9	74.2	74.5	80.4	82.8	84.6	88.3
10-year Yield	7.5	6.9	6.3	6.8	7.3	7.1	6.6	7.0

Source: Department of Economic Affairs (DEA), Ministry of Statistics and Programme Implementation (MoSPI), RBI

Outlook:

India’s growth prospects remain strong, anchored by its demographic dividend, rapid digital adoption, and a reform driven policy environment. The agriculture sector is expected to benefit from continued investment in irrigation, technology, and crop diversification. Industrial activity is likely to accelerate further, supported by rising manufacturing capacity utilisation, private sector investment, and government initiatives such as the Production Linked Incentive (PLI) scheme, alongside a growing focus on green and sustainable manufacturing.

The services sector will continue to be India’s growth engine, driven by technology exports, fintech innovation, and the expansion of global capability centres. Inflation is expected to remain within manageable levels, aided by proactive monetary policy, though global energy prices and currency movements could pose challenges. With supply chain realignments and strong investor

confidence, India is well positioned to consolidate its role as a global economic powerhouse committed to inclusive and sustainable progress.

Industry Overview

Indian Financial Services Industry

FY2026 marked a year of steady progress for India’s financial services sector, supported by policy initiatives, strengthening banking fundamentals, resilient capital markets, and continued advancement in financial inclusion. RBI’s monetary and liquidity measures supported financial conditions during the year, while continued initiatives to strengthen credit delivery, expand digital payments and deepen financial inclusion broadened the sector’s reach. Together, these factors reinforced the strength and stability of India’s financial services ecosystem, enhancing its ability to support credit growth, widen formal financial access and respond effectively to changing macroeconomic and regulatory conditions.

Supportive Monetary Environment:

India’s monetary environment turned more supportive during the year, with the RBI reducing the repo rate by 100 basis points and cutting the CRR to improve liquidity and support growth-oriented credit conditions.

Stronger Banking Fundamentals:

Scheduled commercial banks continued to strengthen their balance sheets, supported by improved asset quality, healthy capital buffers and robust profitability, reflecting the overall resilience of the banking system.

Healthy Credit Momentum:

Bank credit grew by 14.1% YoY as at end-March 2026, compared to 11.1% a year ago, reflecting sustained credit demand across the economy.

Vibrant Capital Markets:

India’s capital markets remained resilient, supported by strong investor participation, healthy primary market activity and continued retail deepening. Resource mobilization at ₹ 10.7 lakh crores (upto Dec 2025) through primary markets remained robust during the year.

Rising Financialization of Savings:

The share of equities and mutual funds in household financial savings increased to 15.2% from ~2% over the past decade, highlighting the growing shift towards market-linked investment avenues.

Outlook

India’s financial services industry enters the next phase of growth from a position of resilience, supported by strong macroeconomic fundamentals, healthy balance sheets and continued regulatory focus on financial stability. Going forward, the sector’s growth is likely to be shaped by deeper digital adoption, wider participation in capital markets and further development of non-bank and market-based financing channels.

At the same time, the evolving financial ecosystem will require continued emphasis on consumer protection, cyber resilience, trust in digital payments and responsible innovation, including the prudent adoption of artificial intelligence (AI). As the sector becomes more diversified, digital and innovation-led, balanced growth, robust governance and proactive regulatory oversight will remain critical to sustaining stability and strengthening India’s financial services ecosystem.

Indian NBFC Industry

The Non-Banking Financial Company (NBFC) sector in India continued to demonstrate resilience in FY2026, maintaining its role as a critical pillar of credit delivery. The industry expanded steadily, supported by strong demand across retail and commercial segments.

Overall growth remained healthy, with NBFCs AUM (excluding government-owned NBFCs) estimated to grow at 18-19% and cross 50 lakhs crores in FY2027. Credit demand remained broad-based across retail and commercial lending segments. Vehicle finance and housing finance continued to be key contributors, with each accounting for nearly 22% of industry AUM. Loan Against Property (LAP) and secured MSME financing constituted nearly 15% of industry AUM. Growth in certain unsecured lending segments moderated as NBFCs adopted a more cautious stance towards credit origination and portfolio expansion, reflecting the gradual shift towards calibrated growth, portfolio quality and prudent risk management practices. The sector also witnessed an increasing emphasis on secured lending.

Asset quality remained a key area of focus across the sector. NBFCs continued to strengthen underwriting frameworks, collection mechanisms and portfolio monitoring practices, resulting in improved credit discipline and enhanced resilience of loan books.

From a financial perspective, the sector demonstrated steady operating performance during FY2026. NBFCs continued to access diversified funding sources and maintained adequate liquidity buffers. The focus on operational efficiency, disciplined cost management and portfolio quality enabled lenders to navigate funding pressures and sustain earnings performance. Capitalization levels across the sector remained comfortable, supporting business growth and balance sheet strength.

Digital adoption continued to gain momentum, with NBFCs leveraging technology, analytics and digital platforms to enhance customer acquisition, improve service delivery and strengthen credit assessment processes. Investments in digital capabilities also contributed to greater operational efficiency and improved customer experience. Artificial intelligence and super app ecosystems are increasingly integrated into operations, improving efficiency and expanding access to financial services. The rapid growth of mobile based repayment channels illustrates how technology is reshaping customer behaviour and strengthening business models.

Overall, FY2026 was characterized by balanced growth, stronger risk management practices, increasing digitalization and a continued focus on portfolio quality, reinforcing the NBFC sector’s importance within India’s financial system.

Growth Drivers for the Indian NBFC Industry

Robust Retail Credit Demand:

The retail lending sector remains a key driver of growth, with strong demand for gold loans, vehicle financing, and personal loans. Rising incomes, increasing urbanisation, growing consumer aspirations and expanding entrepreneurial activity continue to drive demand for retail and business financing, supporting long-term growth opportunities for the sector.

Financial Inclusion and Underserved Markets:

India's credit penetration remains below that of many developed economies, creating a large and long-term opportunity for NBFCs to expand access to formal credit across customer segments. NBFCs continue to play a critical role in serving customers who have limited access to traditional banking channels, particularly in rural and semi-urban markets, supporting the expansion of the formal credit ecosystem.

Digital Transformation:

Investments in digital onboarding, analytics-driven underwriting, alternative data sources and automated servicing processes are enhancing customer acquisition, improving operational efficiency and enabling scalable growth. Adoption of AI-driven tools and super-app ecosystems, which improved efficiency and broadened access to financial services, especially for underserved borrowers.

Improved Risk Discipline:

The sector has increasingly shifted its focus from growth-led expansion to risk-adjusted growth, supported by stronger underwriting standards, technology-enabled credit evaluation and proactive portfolio monitoring. This disciplined approach has enhanced the industry's ability to manage asset quality while maintaining sustainable growth.

Key Regulatory and Operating Developments

- 1) **Monetary Easing and Liquidity Support:** The operating environment turned more supportive during FY2026. RBI reduced CRR by 100-bps to 3% of Net Demand & Time Liabilities (NDTL), implemented in phases up to November 2025 and cumulative policy (Repo) rate cuts of 100 bps which helped ease funding conditions across the lending ecosystem and improved system liquidity and credit transmission.
- 2) **Improved Funding Access for NBFCs:** Liability-side conditions strengthened with the 25-percentage point reduction in risk weights on bank lending to NBFCs and MFI loans, reversing part of the earlier tightening cycle. Given the sector's dependence on bank lines and market borrowings, this was an important measure to improve credit flow, lower funding friction and support balance-sheet flexibility.
- 3) **Strengthening of Co-lending Framework:** RBI issued comprehensive Co-Lending Arrangements Directions, 2025, superseding the 2020 framework. The revised framework broadens the scope of co-lending to all loan categories and

extends applicability to all NBFCs (including HFCs), mandates a minimum 10% loan retention by each partner, cap Default Loss Guarantees at 5% of the co-lending portfolio, and require synchronised NPA classification between co-lending partners thereby strengthening risk alignment, transparency and regulatory oversight.

- 4) **Strengthening of Internal Grievance Redress Mechanism:** During the year, RBI introduced a revised Internal Ombudsman framework to strengthen the internal grievance redressal mechanism. The framework requires that all complaints partly or wholly rejected must be reviewed by an Internal Ombudsman before closure, ensuring enhanced transparency and customer protection.

Outlook

The outlook for the Indian NBFC sector remains optimistic, supported by sustained demand for retail and MSME credit, increasing formalisation of the economy and deeper penetration of financial services across customer segments. The industry's assets under management are expected to continue expanding at a healthy pace, driven by opportunities in vehicle finance, housing finance, secured business lending and other retail lending categories.

The sector is expected to benefit from favourable demographic trends, rising consumer aspirations and the growing adoption of formal credit channels. Increasing digitalisation across the lending value chain is likely to further enhance customer acquisition, underwriting capabilities and operational efficiency, enabling scalable and efficient growth. With strong distribution networks, deep customer reach and specialised product offerings, NBFCs are well positioned to address the diverse financing requirements of individuals, small businesses and rural communities, reinforcing their role in supporting India's credit ecosystem.

Vehicle Financing Industry

India's vehicle financing industry in FY2026 benefited from broad-based momentum across urban and rural markets. Total vehicle retail sales reached a record 29.7 million units, up 13.3% year-on-year, driven by improved affordability, wider mobility demand, and healthier traction across categories. This created a favourable backdrop for asset-backed credit, particularly in mass-market segments with deeper semi-urban and rural penetration.

Two-wheelers remained the largest category at 21.4 million units, rising 13.4%, supported by rural cash flows and affordability. Passenger vehicles crossed 4.7 million units for the first time, growing 13.0%, aided by strong model pipelines and preference for utility vehicles and alternative fuels. Commercial vehicles returned above 1 million units, up 11.7%, while tractors surged to 1.05 million units, an 18.9% increase, reflecting healthy farm economics. Three-wheelers grew 11.7% to 1.36 million units, driven by last-mile mobility demand.

Rural markets played a pivotal role, often outpacing urban demand. Passenger vehicle sales in rural areas

grew 17.1%, compared to 10.4% in urban markets. Tractors remained predominantly rural, while rural demand contributed materially to commercial vehicle and two-wheeler volumes. This underscores the advantage of financiers with stronger rural reach.

Fuel mix and technology shifts also shaped financing opportunities. Electric vehicle penetration rose sharply, with EV share at 60.95% in three-wheelers, 6.54% in two-wheelers, 4.25% in passenger vehicles, and 1.83% in commercial vehicles. CNG adoption strengthened, particularly in passenger and commercial segments. These transitions broadened financing scope beyond conventional ICE vehicles, creating new opportunities across retail, fleet, and last-mile mobility financing.

Domestic Sales (in million units)

Category	FY2023	FY2024	FY2025	FY2026
Passenger Vehicles	3.64	3.94	4.16	4.71
Commercial Vehicles	0.96	1.00	1.03*	1.13*
Three-Wheelers	0.78	1.17	1.22	1.36
Two-Wheelers	16.03	17.52	18.89	21.42
Tractors	0.83	0.89	0.88	1.05
Grand Total	22.24	24.53	26.19	29.67

*includes construction equipment

Source: Federation of Automobile Dealers Associations (FADA)

Outlook

The vehicle financing industry is expected to remain on a positive trajectory, supported by strong retail fundamentals, deeper rural penetration and continued demand across personal, commercial and farm-linked mobility segments. Stable financing conditions, improving model availability and the growing share of EV and alternate-fuel vehicles are likely to support financing opportunities across categories. While fuel-price volatility, supply-side disruptions and shifts in consumer sentiment may create near-term variability, the medium-term outlook remains constructive, with growth likely to be led by lenders combining distribution reach with prudent underwriting and portfolio discipline.

Housing Finance Industry Overview

The Indian housing finance industry continued to demonstrate steady growth during FY2026, supported by sustained demand for home ownership, increasing urbanisation and the continued expansion of formal credit channels. The sector remained a key enabler of housing affordability, particularly for first-time homebuyers, self-employed borrowers and customers in semi-urban and emerging markets.

Housing finance companies (HFCs) strengthened their presence in underserved markets through extensive branch networks, specialised underwriting capabilities and customer-centric product offerings. The sector maintained a strong focus on prudent credit assessment, portfolio quality and operational efficiency, enabling sustainable growth amid an evolving regulatory environment.

Demand in the affordable and mid-income housing segments remained resilient, supported by favourable demographics, rising household incomes and government initiatives aimed at promoting home ownership. The share of Affordable Housing Finance Companies (AHFCs) has increased from ~10% of HFCs' total loan portfolio in FY21 to ~18% over the last five years. The industry also benefited from increasing financialization of the housing market, with outstanding housing loan balances in India rising to over ₹44.4 lakh crore in FY2026, reflecting the growing role of institutional credit in housing finance.

Technology adoption continued to transform the sector, with digital sourcing, analytics-driven underwriting and enhanced customer servicing capabilities improving operational efficiency and customer experience.

Overall, the housing finance industry has demonstrated resilience and adaptability, with affordable housing emerging as the cornerstone of expansion. By combining innovation, governance, and customer centricity, housing finance companies are strengthening financial inclusion and contributing meaningfully to India's economic development.

Outlook

The housing finance industry is expected to build on its current momentum and enter a phase of sustained expansion. Demand for affordable housing will continue to be the central driver, supported by rising aspirations in semi urban and rural markets and ongoing government initiatives that encourage home ownership. Housing finance companies are likely to deepen their reach into underserved customer segments, leveraging technology to streamline processes and reduce costs.

Competition from banks and funding pressures may intensify, but housing finance companies are anticipated to respond with diversified funding strategies and stronger governance frameworks. Asset quality is expected to remain resilient, underpinned by disciplined underwriting and improved borrower awareness. As digital adoption accelerates and customer centric models evolve, the industry is positioned to play a larger role in financial inclusion. Going forward, housing finance companies are set to reinforce their importance in India's economic development by enabling broader access to housing credit and supporting the nation's growth ambitions.

Micro, Small and Medium Enterprise (MSME) Financing Industry

Micro, Small and Medium Enterprises (MSMEs) form a cornerstone of India's economic landscape, serving as key drivers of entrepreneurship, employment generation and inclusive growth. With over 7.47 crore enterprises employing more than 32.8 crore individuals, the sector is the second-largest source of employment after agriculture. MSMEs contribute approximately 31.1% to India's GDP, 35.4% of manufacturing output and 48.6% of total exports, underscoring their critical role in the country's industrial and trade ecosystem.

The sector continues to benefit from a supportive policy framework aimed at fostering enterprise creation, improving access to finance and accelerating business growth. Grassroots entrepreneurship received a significant boost through the Prime Minister's Employment Generation Programme (PMEGP), which supported over 10 lakh micro enterprises and generated employment for over 87 lakh persons. In addition, measures such as the ₹10,000 crore SME Growth Fund, a ₹2,000 crore enhancement to the Self-Reliant India (SRI) Fund and wider adoption of the Trade Receivables Discounting System (TReDS) are expected to strengthen capital access and improve liquidity across the MSME ecosystem.

The sector has also witnessed increasing formalisation, supported by digital initiatives such as the Udyam Registration Portal and the Udyam Assist Platform. More than 7.30 crore enterprises have been registered across these platforms, enabling greater access to government schemes, formal credit channels and Priority Sector Lending benefits. Combined with ongoing efforts to streamline MSME support schemes and enhance ease of doing business, these developments are strengthening the foundation for sustainable growth and expanding opportunities for SME financing in India.

Outlook

The outlook for India's MSME sector remains on a strong trajectory, supported by continued policy focus on improving access to finance, strengthening digital infrastructure and enhancing ease of doing business. Measures announced under the Union Budget 2026-27, including the SME Growth Fund, enhanced support through the Self-Reliant India Fund and wider adoption of digital receivables financing platforms, are expected to improve capital availability, liquidity and credit access across the sector.

Increasing formalisation, rapid digital adoption and deeper integration with domestic and global value chains are expected to strengthen the competitiveness of Indian MSMEs. Growing penetration of e-commerce, expansion of export opportunities and continued efforts to improve the business environment are likely to further support enterprise growth and productivity. With improving access to capital, stronger institutional support and a favourable policy ecosystem, MSMEs are well positioned to drive manufacturing growth, employment generation and export expansion, creating sustained opportunities for the SME financing industry in the years ahead.

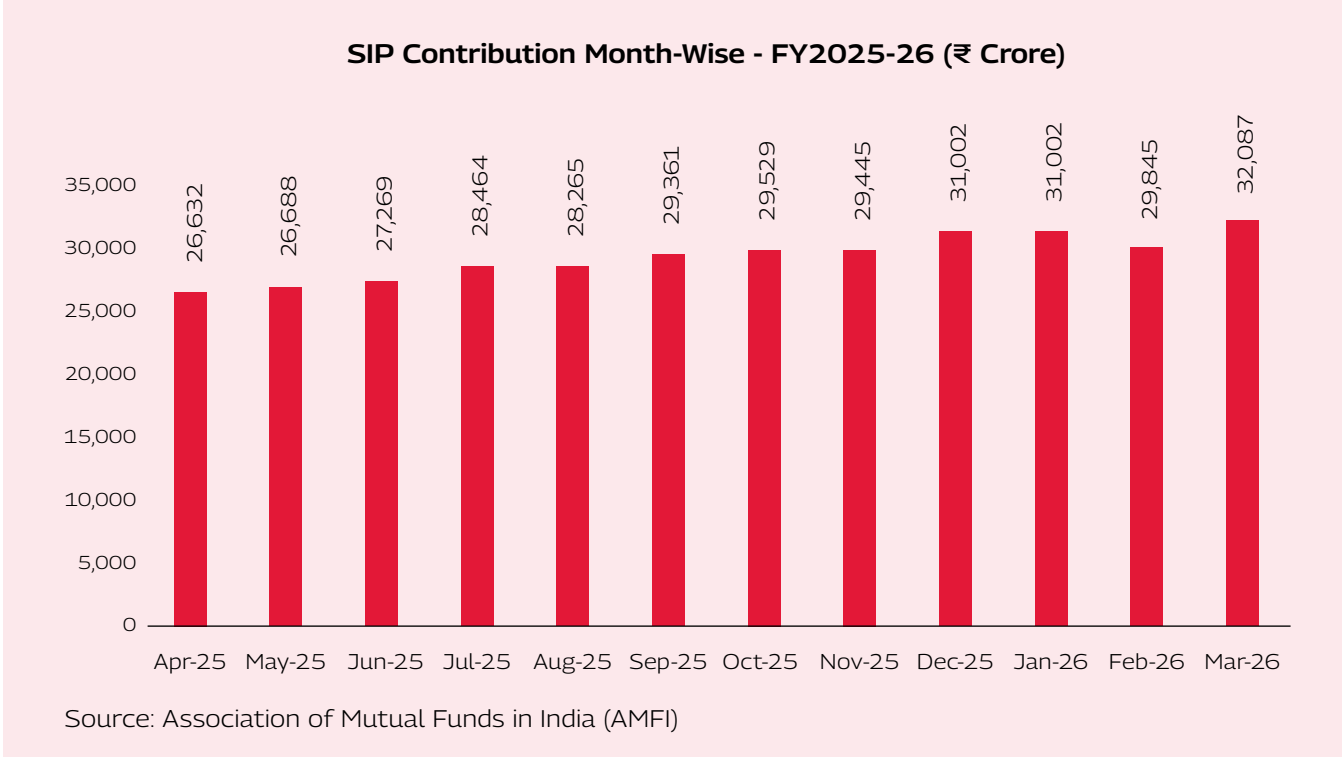
Mutual Funds Industry Overview

The Indian mutual fund industry continues to witness broad-based expansion, with growth increasingly supported by diversified investor participation across equity, debt, hybrid and passive products. Assets under management stood at ₹73.73 lakh crore in March 2026, reflecting 12.2% year-on-year growth.

Investor participation remained broad-based, with total folios rising to 27.39 crore, while equity funds recorded positive inflows for the 61st consecutive month, amounting to ₹40,450 crore in March 2026. The industry also witnessed continued diversification across product categories, with equity, debt, hybrid and passive funds together contributing to the scale and depth of the mutual fund ecosystem.

Systematic Investment Plans (SIP) continued to remain a key driver of retail participation and disciplined investing. Monthly SIP contributions stood at ₹32,087 crore in March 2026, while SIP assets were ₹15.11 lakh crore, representing 20.5% of the industry's total AUM.

The industry continued to broaden participation through investor awareness initiatives, simplified digital access and product innovation across passive and goal-oriented solutions, thereby deepening mutual fund adoption beyond traditional investor segments. Hybrid funds remained relevant, with multi-asset allocation funds continuing to attract investor interest amid market volatility. Passive funds also witnessed strong participation, supported by healthy inflows into ETFs, indicating a growing preference for diversified investment solutions alongside traditional active strategies.



Outlook:

The Indian mutual fund industry is entering its next phase of evolution, with growth increasingly linked to deeper household participation, wider investor awareness and the industry's ability to make investing simpler, accessible and trusted. As India progresses towards Viksit Bharat 2047, future growth is likely to be driven by financial literacy, simplified onboarding, digital access and greater penetration beyond traditional investor segments. The industry's roadmap is expected to focus on trust-building, technological integration, process simplification, innovation, accessibility and inclusivity, ensuring that mutual funds become a more seamless part of financial planning for Indian households. Product innovation across passive, hybrid and multi-asset solutions, along with sustained investor education, is expected to broaden participation and support the industry's transition from financial inclusion towards wider financial well-being.

Insurance Industry Overview

India's insurance industry continues to expand on the back of rising awareness, stronger economic activity, favourable demographics and a progressively more enabling regulatory framework. Over the past two decades, the domestic insurance market has

expanded at a CAGR of 17%, reflecting the growing role of insurance in household financial protection and long-term savings. The sector's growth is being further supported by digitalisation, wider private-sector participation and policy measures aimed at deepening insurance penetration. In FY2026, life insurers witnessed a healthy expansion in new business premiums, which grew 15.7% y-o-y (vs 5.1% in FY2025) reaching ₹4.60 lakh crores, led by broad-based growth. Annual premium equivalent (APE) increased 14.5% y-o-y in FY2026, with private insurers (14.9%) marginally outpacing Life Insurance Corporation (13.9%), reflecting steady momentum across the industry. The general insurance industry reported gross written premiums (GWP) of ₹3.36 lakh crore in FY2026, reflecting a healthy 9% year on year growth driven by strong health and motor segments.

The sector is also seeing stronger institutional and strategic activity. In addition, the increase in the FDI limit in insurance companies from 74% to 100% is expected to improve capital availability, encourage greater foreign participation and support long-term balance-sheet capacity in this capital-intensive sector. The industry is also expected to benefit from wider adoption of technology, AI and data-led underwriting which can improve operational efficiency, claims handling and customer engagement.

Outlook

The outlook for India’s insurance industry remains optimistic, with the sector expected to remain among the fastest-growing insurance markets globally supported by rising risk awareness, product innovation, stronger digital distribution and favourable regulatory policies. Life insurance is expected to benefit from sustained demand for protection and long-term savings products, while non-life insurance should continue to draw strength from health, motor and broader risk-cover requirements across retail and commercial segments.

The growth trajectory is also likely to be shaped by reforms aimed at improving access, customer experience and capital formation. Higher foreign investment limits, stronger technology adoption, widening use of analytics and automation, and continued government-backed social security and health-protection schemes are expected to support deeper market development. Overall, the sector appears well placed for sustained expansion, with stronger scale, broader participation and improving digital capability expected to support long-term growth.

Business Review

The business environment witnessed steady improvement during the year, supported by resilient rural demand, improving macro conditions and strong execution across our core segments. We achieved record disbursements of ₹ 61,118 crore, reflecting a growth of 6% over the previous year. This milestone enabled our loan book to cross ₹ 1,34,000 crores, underscoring our ability to scale operations while maintaining strong asset quality. Growth was aided by strong demand in tractor financing, steady expansion in passenger vehicle loans and used vehicle financing.

We continued to maintain our leadership position within the Mahindra ecosystem (UVs, Pick ups and Tractors) and recorded further improvement in disbursements and market share across several major OEM partners. We also strengthened our presence in the used vehicle finance segment through active engagement with auto aggregators to enhance lead generation.

Non-wheels business verticals like SME lending (including loans against property), mortgages and leasing are also being scaled up and are showing encouraging traction.

Asset quality improved meaningfully during the year, with Gross Stage-3 (GS-3) assets declining to 3.4% and GS-2 + GS-3 reaching the lowest levels in recent years. This reflects disciplined underwriting, strong risk management practices and improved collection efficiency.

During the year, we made significant progress in our ongoing digital transformation initiatives, with increased adoption of digital platforms across sourcing, underwriting and collections. These initiatives have

contributed to improved operational efficiency, faster turnaround times and enhanced customer experience.

Our Company is rated 'AAA' across all major credit rating agencies, reflecting our credit strength and consistent performance. The ratings help us to have a diversified funding profile and to borrow funds at the competitive cost.

Overall, we continue to focus on sustained momentum in disbursements, improving asset quality, and robust collection efficiency, with a continued focus on talent retention and technology initiatives.

Operational Overview

The key operational highlights for FY2026 are as follows:

- Total income increased by 15% to ₹18,500 crores compared to ₹16,075 crores in FY2025, driven by asset growth, higher insurance and dividend income
- Disbursements grew by 6% year-on-year, reaching ₹61,118 crores
- Business assets rose by 12% to ₹1,34,096 crores from ₹1,19,673 crores in FY2025
- Capital adequacy stood at 18.8%, with a debt-to-equity ratio of 4.86 and a liquidity buffer of over ₹9,150 crores
- GS-3 stood at 3.4% and the Provision Coverage Ratio (PCR) for GS-3 was maintained at 58.6% as of March 2026
- The customer base surpassed 12 million
- The employee count stood at 22,637 as of 31st March 2026

SCOT Analysis

Strengths

- Leadership position in vehicle finance with market leadership in tractor financing and strong scale in PV and CV segments
- Deep rural and semi urban franchise supported by strong customer insights into livelihood needs and an extensive pan India network of 1,348 branches and 6,000+ channel outlets
- Strong, long-standing relationships with OEMs, dealers and ecosystem partners
- Empowered frontline workforce enabling effective customer engagement and reach
- Diverse product range tailored to customer requirements

- Strong brand equity, customer trust and improving digital reputation
- Strong risk, compliance and control framework with enhanced underwriting discipline and analytics driven collections
- Comfortable capital adequacy and liquidity position
- Streamlined and robust processes to manage volatility and credit costs
- Customer servicing via multiple channels for customer convenience and quicker resolution

Challenges

- Margin pressure amid competitive intensity and increasing cost of funds
- Limited exposure beyond vehicle financing
- Execution complexity from parallel diversification and technology transformation

Opportunities

- Opportunities to enhance revenue through collaborations in non-lending financial services and co-lending ventures
- Scaling SME and mortgage franchises leveraging branch network and data capabilities
- Structural tailwinds from formalisation, government capex and RuSu consumption
- Use of analytics, AI and digital platforms to improve productivity, credit quality and customer experience

Threats

- Geopolitical and macroeconomic uncertainty affecting rural income, MSME cash flows and asset quality
- Intensifying competition from banks and NBFCs
- Cyclicity in automotive and agri sectors impacting disbursements
- Increasing fraud, cyber and regulatory risks requiring sustained governance focus

Financial Overview

The table below provides the Company's standalone financial summary for FY2026, covering revenues, expenses and profits:

Particulars	For the year ended 31 st March 2026 (₹ crore)	For the year ended 31 st March, 2025 (₹ crore)	Change (%)
Revenue from operations	18,445.59	16,018.95	15.1%
Other income	54.69	55.74	-1.9%
Total revenue	18,500.28	16,074.69	15.1%
Expenses			
a. Employee benefits expenses	2,054.17	1,903.13	7.9%
b. Finance costs	8,392.05	7,898.30	6.3%
c. Depreciation, amortisation and impairment	342.68	273.42	25.3%
d. Impairment on financial instruments	2,441.22	1,617.86	50.9%
e. Other expenses	1,480.20	1,234.71	19.9%
Total expenses	14,710.32	12,927.42	13.8%
Profit before exceptional items and taxes	3,789.96	3,147.27	20.4%
Exceptional items (net) - income/(expense)	-117.33	0	
Profit before tax	3,672.63	3,147.27	16.7%
Tax expense	890.40	802.23	11.0%
Profit for the year	2,782.23	2,345.04	18.6%

Discussion on financial performance

Revenue from operations grew by 15.1% in FY2026 compared to the previous year, driven by an increase in the average loan book, along with higher insurance and dividend income. Disbursements increased by 5.6% year-on-year, supporting a 12.1% growth in the closing loan book over FY2025.

Net Interest Income (including other income) registered 24% year on year growth, demonstrating the Company's strong operating performance.

Net Interest Margin (including other income) improved to 7.1% in FY2026, compared to 6.5% in FY2025, driven by higher insurance and dividend income as well as a notable reduction in cost of funds following the RBI's rate cuts. This dual impact enhanced overall spreads and strengthened profitability.

Cost to income ratio declined to 38.4% in FY2026 from 41.7% in FY2025, primarily reflecting improved operating efficiency. This reduction was driven by tighter control over operating expenditure, and productivity gains from investments in IT infrastructure and process automation.

Profit before tax (post exceptional item) increased by 16.7% to ₹3,673 crore from ₹3,147 crore in FY2025, contributed by higher Net Interest Margins.

Profit After Tax (PAT) stood at ₹2,782 crore, 18.6% higher than ₹2,345 crore in FY2025. Return on Equity (RoE) was 12.5%, compared to 12.4% in FY2025, while Return on Assets (RoA) stood at 2.0%, up from 1.9% in the previous year.

Company's credit rating remained stable at 'AAA', across all major credit rating agencies.

Segment-wise disbursement performance (in ₹ crores)

Asset Class	Year ended 31 st March, 2026	Year ended 31 st March, 2025	Change (%)
Passenger vehicles	24,614 (40%)	23,527 (41%)	5%
Commercial vehicles and construction equipment	10,665 (17%)	12,290 (21%)	-13%
Pre-owned vehicles	10,151 (17%)	9,468 (17%)	7%
Tractors	8,732 (14%)	5,871 (10%)	49%
3 Wheelers	1,976 (3%)	2,445 (4%)	-19%
SME	3,057 (5%)	3,010 (5%)	2%
Others*	1,922 (3%)	1,288 (2%)	49%
Total	61,118 (100%)	57,900 (100%)	6%

*Others include Farm Implements, Gensets and Personal Loans- Figures in bracket indicates share of overall disbursement

The passenger vehicle market witnessed a steady growth on the back of robust SUV sales, strong rural demand, government incentives for EVs and consumer preference increasingly shifting to higher-priced SUVs and premium cars. Consequently, our growth in passenger vehicle disbursements was at 5% YoY.

Our tractor disbursements delivered a remarkable 49% YoY growth and emerged as our key growth driver, supported by favorable rural and regulatory tailwinds such as GST cuts, MSP hikes, and favorable monsoon.

Growth in our pre-owned vehicle disbursements was driven by favourable affordability dynamics, enhanced financing access and increasing penetration of organized sales channels, which improved transparency and strengthened consumer trust in pre-owned vehicle purchases.

Key Ratios

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Debt/Equity ratio	4.86:1	5.70:1
Net Profit Margins (%)	15.0%	14.6%
RONW (Avg. net worth)	12.5%	12.4%
Capital adequacy	18.8%	18.3%
Tier I capital	16.7%	15.2%
Tier II capital	2.2%	3.1%
Gross Stage 3%	3.4%	3.7%
Net Stage 3%	1.4%	1.8%
Provision Coverage Ratio for Stage - 3 assets	58.6%	51.2%
Liquidity Coverage Ratio	224%	277%

During the financial year, none of the key financial ratios, except tier II capital ratio, experienced a variation greater than 25% compared to the previous year. Tier II capital decreased by 29.2% during the financial year, primarily attributable to the regulatory amortisation of subordinated debt instruments as they moved closer to maturity, resulting in a lower eligible capital base.

Business Outlook

MMFSL aims to expand its presence in Bharat by strengthening its distribution network, investing in digital ecosystems, and enhancing customer engagement through data driven insights. MMFSL continues to advance its risk management framework with digital due diligence and analytics driven portfolio monitoring to ensure resilience and scale. With rural incomes rising and consumer aspirations evolving, MMFSL remains committed to financial inclusion, innovation, and disciplined growth, creating long term stakeholder value and ensuring that the company's expansion is underpinned by rigorous risk management and margin discipline.

Risk Management

The Company recognises that a dynamic and uncertain operating environment presents material challenges for organisations. To address these, it has established a forward-looking risk management framework focused on proactively identifying and managing potential risks. The Risk Management Committee supports the Board by identifying, monitoring, and assessing the Company's risk exposures. It periodically reviews the effectiveness of risk mitigation initiatives and submits its observations and recommendations to the Board for consideration. The adequacy of these measures is also assessed and where gaps are identified, appropriate corrective actions and process improvements are implemented.

Risk Management Process

The Company's risk management framework is embedded across all critical functions and follows a disciplined, structured methodology. Key components of the process include:

- Clearly articulated roles and responsibilities for effective risk governance
- A robust strategic framework anchored in clearly defined objectives and guiding principles
- A balanced risk identification and assessment approach that integrates both 'top-down' and 'bottom-up' perspectives
- A framework for systematic risk identification, evaluation, mitigation, monitoring, and reporting
- Integration of risk appetite with strategic planning, supported by continuous monitoring and reporting processes
- A comprehensive risk monitoring programme detailing review protocols, challenge processes, and oversight mechanisms
- An 'outside-in' reporting approach to ensure timely identification, management, and communication of risk-related information across the organisation

The Company's risk management framework emphasises a thorough evaluation of risks by carefully analysing potential exposures before decisions are made regarding transactions, operational changes, or system enhancements. The framework is further reinforced through periodic reviews, implementation of appropriate controls, self-assessment exercises, and ongoing monitoring of key risk indicators.

Credit Risk:

Credit risk refers to the potential for financial loss arising from a decline in the creditworthiness of borrowers or counterparties. Such losses may occur if a customer or counterparty fails to meet their financial obligations, or if there is a deterioration—perceived or actual—in the credit quality of the portfolio.

Approach to Credit Risk Management

Effective credit risk management is fundamental to the Company's long-term sustainability. The process encompasses the identification, measurement, monitoring, and control of credit risk exposures through the following measures:

- Implementation of a comprehensive borrower credit scoring framework that avoids overly simplistic loan classifications. High-risk proposals are subject to enhanced scrutiny and are reviewed by senior credit approvers, with appropriate risk mitigants in place. The company has product level scorecard to identify the borrower risk segment at the time of onboarding.
- Maintenance of asset quality through a rigorous credit appraisal system, complemented by continuous post-disbursement monitoring, thereby ensuring a low probability of default.
- Adoption of proactive risk mitigation strategies, supported by comprehensive early warning indicators. These include key risk metrics such as overall portfolio performance, early delinquency trends, non-starter accounts, and quick mortality rates, enabling timely intervention.

Liquidity Risk

Liquidity risk refers to the potential inability to meet financial obligations as they fall due, including debt servicing requirements, or the inability to obtain external funding at reasonable costs.

Approach to Liquidity Risk Management

The Company has established a comprehensive Liquidity Risk Management (LRM) framework, governed by a Board-approved Liquidity Risk Management Policy. The implementation and oversight of this framework are entrusted to the Asset Liability Committee (ALCO) and the Asset Liability Management Committee (ALMCO), which ensure compliance with defined risk tolerance levels and regulatory limits.

In alignment with the Treasury Chest Policy, the Company maintains an adequate liquidity buffer, which is periodically reviewed to provide resilience against external financial shocks. Furthermore, the Company sustains a well-diversified lender base, deliberately avoiding overdependence on any single funding source. Borrowing concentration is actively monitored to maintain a balanced and sustainable funding mix.

Interest Rate Risk

Interest rate risk arises from fluctuations in market interest rates, which may adversely affect borrowing costs, interest income, and net interest margins, particularly within the financial sector.

Approach to Interest Rate Risk Management

The Company actively monitors and manages interest rate risk through regular sensitivity analyses conducted by the Asset Liability Committee (ALCO) and the Asset Liability Management Committee (ALMCO). These assessments evaluate the Company's exposure to interest rate movements and inform strategic decision-making.

The Liquidity Risk Management (LRM) framework outlines an optimal borrowing structure aimed at minimising interest costs, alongside an investment strategy designed to maximise returns. Prudential limits on both borrowings and investments are established to ensure effective risk containment. These policies, supported by periodic reviews, enable timely adjustments to lending and funding strategies, thereby mitigating the impact of interest rate volatility.

Operational Risk

Operational risk refers to the potential for financial loss resulting from internal process failures, human errors, system deficiencies, or external events, including legal and reputational challenges.

Approach to Operational Risk Management

The organization maintains a robust Operational Risk Management Framework designed to proactively identify, assess, monitor, and mitigate risks across all business activities. This framework is anchored in the effective implementation of the Three Lines of Defence (3LOD) model, wherein the first line assumes ownership of risk within business operations, the second line provides independent oversight and policy guidance, and the third line delivers objective assurance through internal audit. Complementing this structure is a comprehensive Key Risk Indicator (KRI) framework, which enables continuous monitoring of risk exposures through defined metrics, thresholds, and escalation protocols. Together, these elements ensure timely risk identification, informed decision-making, regulatory compliance, and continuous improvement in the organization's risk management practices.

Business Risk

As a Non-Banking Financial Company (NBFC), the Company is exposed to a range of external risks that could influence its long-term viability and financial performance. These risks include sector-specific challenges, competitive pressures, and variables affecting customer income levels—such as agricultural output and climatic conditions. In addition, macroeconomic uncertainty and industry-wide stress may lead to deterioration in loan asset quality.

Approach to Business Risk Management

The Company closely monitors macroeconomic trends and industry dynamics to proactively identify and address emerging market developments. To diversify its income base and reduce reliance on vehicle financing, the Company has launched customised financial products and is actively pursuing new growth opportunities, including SME lending, digital lending platforms, and leasing solutions.

A proactive sales team, a diversified suite of financial products, and a strong focus on customer needs together position the Company to remain competitive, agile, and resilient in a rapidly changing business environment.

Compliance Risk

Compliance risk refers to the potential for legal or regulatory consequences arising from non-adherence to applicable laws, regulations, and supervisory guidelines.

Approach to Compliance Risk Management

The Company maintains strict compliance with the regulatory framework prescribed by the Reserve Bank of India (RBI) and other relevant authorities. This includes adherence to norms related to capital adequacy, fair practices, financial reporting, and asset classification. Under the revised scale-based regulatory framework introduced by the RBI in FY2021 and subsequently refined in FY2023 and FY2025, the Company has been categorised under the Upper Layer of Non-Banking Financial Companies (NBFCs).

To ensure ongoing compliance, the Company has instituted robust processes for risk assessment, capital adequacy evaluation, and stress testing. A structured Circular Management Process facilitates the timely dissemination of regulatory updates to all relevant stakeholders. Additionally, a comprehensive Compliance Testing Programme is in place to evaluate adherence to critical regulatory requirements. The findings from these assessments are reported to senior management, and corrective actions are tracked to ensure effective implementation.

Attrition Risk

The risk of losing high performing and critically skilled employees poses a significant challenge to organisational continuity and performance.

Approach to Talent Retention

The Company fosters an employee-centric culture and continuously reviews its human resource policies to enhance workforce engagement and satisfaction. Annual employee engagement surveys are conducted to identify key concerns, with targeted interventions implemented to address them effectively.

Compensation structures are benchmarked against industry standards to ensure competitiveness and retain top talent. Regular and open communication between Human Resources and business leadership facilitates the proactive resolution of employee issues, thereby minimising undesired attrition. Additionally, the Company invests in continuous learning and development initiatives to support career growth and skill enhancement.

Information Technology & Cyber Security Risk

The increasing reliance on digital infrastructure necessitates robust measures to effectively manage information technology (IT) and cybersecurity risks.

Approach to IT and Cyber Risk Management

The Company continues to strengthen its defence-in-depth cybersecurity strategy through an integrated set of preventive, detective, and responsive controls. This includes enhanced control validation, regular cyber resilience exercises, and advanced AI/ML-driven threat monitoring, supported by continuous improvements across security architecture, operations, and incident readiness. Defense-in-depth measures also encompass:

- **Perimeter Security:** Firewalls and proxies to safeguard network boundaries.
- **Access Controls:** Multi-factor authentication (MFA) and Privilege Access Management (PAM) tools to limit access to sensitive information.
- **Endpoint Security:** Extended detection and response (XDR) and Data Loss Prevention (DLP) tools to protect endpoint devices.
- **Data Protection:** Ransomware-protected backups and encryption to secure critical data.
- **Regular Monitoring:** AI/ML-based Security Operations Centre (SOC) tools for continuous threat detection and response to anomalies and for Database activity Monitoring tool has been implemented.
- **Employee Awareness:** Cybersecurity training programs and awareness flyers to reduce risks from social engineering attacks.
- **Incident Management:** Disaster Recovery (DR) sites with regular data replication and incident response protocols for quick recovery.
- **Advanced Cyber Security Assessments:** Purple teaming, red team exercises, and external penetration testing conducted to validate control effectiveness across people, process, and technology.

Emerging Risk

Emerging risks, including the recent geopolitical developments, heightened global economic stress, and large-scale public health events (such as pandemics) have the potential to disrupt business operations and adversely affect financial stability. Recent geopolitical conflicts have increased uncertainty in global markets and may influence funding conditions, customer behaviour, and overall economic activity.

Approach to Managing Emerging Risks

The Company closely monitors geopolitical developments and their potential implications for the operating and financial environment. As part of its risk response, the Company adopts a cautious and measured approach, including the issuance of internal advisories and the establishment of specific norms and controls to be followed while conducting business, thereby ensuring preparedness and compliance during periods of heightened uncertainty.

In addition, the Company maintains a prudent capital structure to ensure adequate liquidity and the ability to absorb economic shocks without impacting its credit profile or debt-servicing capability. Comprehensive business continuity and contingency plans are in place to support uninterrupted operations during crisis situations. The Company also leverages its strong customer relationships and engagement practices to navigate challenging environments with resilience, stability, and agility.

Market Risk

Market risk arises from fluctuations in interest rates, currency values, credit spreads and commodity prices, potentially impacting earnings and economic value.

Approach: The Company continuously monitors and manages market-linked securities as per internal and regulatory guidelines to mitigate market risks.

Climate Risk

Climate change presents acute and chronic risks through extreme weather events and the gradual degradation of environment and infrastructure respectively leading to impact on the quality of the lending portfolio caused by volatility in borrower cash flows including adverse impact on collaterals.

Approach to Climate Risk Management

The Company actively monitors climate-related risks and integrates them into its overarching risk management framework. . The potential impact from extreme weather events has been mapped using the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP). The resultant action plan to mitigate risks on MMFSL offices in high and moderate risk areas for extreme weather events has been incorporated into office audit.

A phased climate transition plan has been implemented in MMFSL offices to shift towards energy-efficient technologies. Community initiatives in afforestation and water stewardship are conducted through the Corporate Social Responsibility (CSR) to increase resilience of the people and planet to chronic climate-related events.

Material Development in Human Resources

During the year, our people strategy focused on attracting high quality talent, strengthening internal leadership and capability, and embedding a values led, inclusive culture. Through targeted recruitment, leadership development, performance enablement, and behavioural alignment initiatives, we continued to build a future ready workforce aligned with business priorities and long term growth.

Attracting Top Talent

In a competitive and evolving talent landscape, we strengthened our approach to attracting top talent by enhancing our Talent Acquisition priorities. Our employer brand was reinforced through focused campus and early career engagement initiatives, most notably the launch of Mahindra Finance Aspire, a structured and engagement led campus hiring framework. Leadership interactions, institutional partnerships, and flagship initiatives such as Aspire - Connect 2026 enhanced brand visibility and positioned the organisation as an employer of choice.

We further continued to focus on building sustainable talent pipelines by strengthening employee referrals, leadership recruitment, and internal mobility. Value based assessments were introduced to enhance quality of hire and cultural alignment, ensuring long term performance and engagement. These interventions supported retention, leadership continuity, and the development of future ready talent across levels. Technology enabled hiring processes and improved candidate communication further enhanced candidate experience across the recruitment lifecycle.

Building Internal Talent:

Structured leadership development programs contribute towards building a strong, future ready leadership pipeline across levels, ensuring continuity of leadership and readiness for larger, more complex roles. These programmes focus on developing strategic thinking, people leadership, business acumen, and behavioural alignment, enabling leaders to drive sustainable growth in a dynamic business environment.

Furthermore, ProAct was introduced with the aim of proactively supporting employees who can benefit from focused enablement before performance gaps escalate. It emphasizes early diagnosis, clear goal setting, manager ownership, and targeted capability support to drive sustainable improvement while reinforcing a culture of accountability and development.

Our capability building efforts focused on developing functional excellence and future ready skills. Functional and productivity led interventions enhanced execution capability across frontline, managerial, and leadership roles.

An Inclusive and PROMPT culture:

During the year, the PROMPT principles were disseminated across the organisation through leader led conversations and tailored toolkits, embedding a common language for leadership behaviours and reinforcing accountability, ethical conduct, collaboration, and performance excellence.

Diversity, Equity, and Inclusion efforts focused on improving gender representation, inclusive policies and awareness led initiatives, reinforcing a culture of belongingness and equitable opportunities across the organisation.

Transforming with Digital and AI-Driven Innovations

Udaan (our digital transformation initiative) has transitioned from implementation to steady state operations, creating a common digital backbone across lending, servicing, and collections. The platform is enabling simpler workflows, greater transparency, and more consistent outcomes across teams. As usage deepens, benefits are expected to accelerate through higher productivity, tighter process controls, and increasingly targeted analytics driven actions.

Udaan - Progressing from Adoption to Value Realisation

Udaan is Mahindra Finance's enterprise-wide digital transformation programme aimed at strengthening the technology foundation and enabling scalable, efficient operations. During the year, Udaan achieved full adoption across lending, servicing, and collections journeys, marking an important milestone in its execution lifecycle.

With rollout and adoption now complete, Udaan is delivering value through process standardisation, digitisation, and data enablement. The platform supports assisted digital lending journeys leveraging analytics, alternative data sources, account aggregators, and automated credit and fraud checks.

These capabilities have materially improved turnaround times, strengthened compliance, and enhanced consistency in decision making. Further, Digital KYC, e-documentation, e-signing, and e-mandates have reduced manual intervention, while enhancing transparency and adherence to regulatory compliance.

In collections, the digital platform provides an integrated customer view and supports automated reminders and digital payment options, leading to improved customer engagement and early benefits in portfolio management.

With adoption complete, the focus has shifted towards optimisation, driving behavioural change, and expanding analytics-led interventions.

Key metrics:

a) Digital collections - 85%

Expected future outcome:

a) Reduced TAT

b) Higher productivity

Deploy AI and Digital to Enhance Customer Experience (CX) and Business Efficiencies

Digital and AI remained key enablers of customer centricity and operational resilience during the year. Our Customer App and AI powered conversational channels scaled significantly, driving higher digital adoption, service efficiency, and cross sell outcomes. Advanced analytics and AI were deployed across underwriting, collections, operations, and, delivering measurable improvements in portfolio performance, cost efficiency, and turnaround times. These initiatives are underpinned by a resilient digital infrastructure and strong cyber security controls, ensuring safe and scalable digital growth.

1) Customerapp - Driving Digital Scale and Customer-Centric Innovation

The Mahindra Finance Customer App has evolved into a scalable digital platform, playing a pivotal role in strengthening customer engagement and accelerating digital adoption. With the integration of additional products and supporting platforms, customers can access loans, investments, and core servicing capabilities seamlessly across both mobile and web channels. The app continues to serve as a key pillar of the Company's digital ecosystem, supporting growth, cross-sell, and operational efficiency while enhancing overall customer experience.

Key metrics:

a) 14.3L+ cumulative user signups on the app with sustained growth momentum (10L in FY2026)

b) 1.6L+ leads from the app, with 30% hot leads

c) 10X increase in positive customer reviews, underscoring strong improvements in usability, reliability, and overall customer satisfaction

2) Customerbot

Customerbot, our AI powered conversational assistant, enables seamless and personalized customer interactions across service journeys. It is available across WhatsApp, web and mobile app channels and supports multiple Indian languages, allowing customers to resolve queries instantly, apply for loans, make payments, and raise service requests with minimal friction.

During the year, Customerbot scaled significantly in both adoption and business impact. It supported loan origination and collections use cases and contributed meaningfully to disbursements and payment flows. Built on advanced natural language processing capabilities, the platform continues to improve intent recognition and response accuracy through continuous learning from real customer interactions.

Key metrics:

- a) 2.45 lakh unique users
- b) 1.3 crore+ messages exchanged
- c) 34,000+ leads generated

3) Data Analytics & AI

The organization has made significant progress in embedding AI as a core execution engine across growth, risk, operations, collections, and leadership decision making. Built on a strong data foundation, capabilities have evolved from insights to agentic, end to end execution, delivering measurable gains in acquisition, portfolio quality, cost efficiency, compliance readiness, and productivity. AI is increasingly getting deployed at scale to support revenue generation and drive operational throughput.

Initiatives & outcomes:

a) Enterprise Data Assets and AI Ready Infrastructure

The enterprise data platform has matured into a regulatory-grade, AI-governed ecosystem. The Lakehouse, built on a future ready medallion architecture, supports core business use cases and regulatory submissions. End to end automation for audits has improved accuracy, auditability, and turnaround time while reducing manual effort. An AI enabled data catalogue and governance framework strengthens compliance, scalability, and enterprise wide discovery.

b) Underwriting Automation and Credit Risk

Retail credit decisioning is increasingly ML driven, powered by advanced scorecards across thick file, thin file, and New to Credit segments. This has contributed to improved portfolio quality, delivering reduction in early delinquency while supporting scalable growth

c) AI Driven Collections

Collections have transitioned to an AI orchestrated, multi channel decisioning framework across digital, call center, and voice automation. AI Voice Agents now handle ~10% of soft bucket interventions with performance comparable to human agents

d) Lead Generation through Voice AI

Customer acquisition has transitioned to a voice first, AI led model. AI Voice Agents now assign 50%+ of leads directly to the field, reducing reliance on branches and call centers. A fully automated, trigger based pipeline manages customer outreach end to end, escalating to humans only when required

e) AI for Operational Excellence

Samurai, an agentic AI solution for CPC operations, automates loan data and document review, cutting processing time from hours to minutes with higher accuracy and consistency. It currently processes ~20% of application volumes.

f) GenAI for Leadership and Productivity

Role based GenAI assistants are embedded across the organization. MgenAI accelerates document summarization, code generation, testing, and analysis. CRO Buddy enables high frequency risk monitoring, while CXO Buddy delivers real time business and collections insights to the MD & CEO's office. Together, these tools have materially improved risk review cycles, KPI monitoring, and knowledge consumption

4) Strengthening Risk Guardrails

The company strengthened its digital backbone by modernising networks across India, upgrading connectivity, and expanding data centre capacity to handle higher transaction volumes. It improved resilience by deploying new security tools, strengthened its security posture through Zero Trust adoption, and redesigned disaster recovery setup to ensure business continuity. Governance was reinforced through better monitoring, stronger audits, and improved access controls,

leaving no critical vulnerabilities. On cybersecurity, the organisation achieved recognised certifications and maturity standards, while also advancing compliance with new data privacy laws. Together, these steps show a stronger, more secure foundation that supports safe growth and builds confidence with regulators and stakeholders.

Internal Control System and their Adequacy

Mahindra & Mahindra Financial Services Limited has established a robust and comprehensive framework of internal financial controls to ensure the integrity, reliability, and efficiency of its operations, particularly in relation to financial reporting, regulatory compliance, and risk management. The Company's control environment is aligned with industry best practices and guided by the Internal Control-Integrated Framework (COSO) and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (ICFR). Well-defined policies, standard operating procedures, and systems ensure appropriate segregation of duties, approval mechanisms, and ongoing monitoring of key risk indicators. These controls are subject to periodic review and continuous strengthening to address evolving business and regulatory requirements.

The Company's internal audit function operates independently and adopts a risk-based approach to evaluate the effectiveness of internal controls across

business and functional areas. Oversight is provided by the Board through its committees, including the Audit Committee and Risk Management Committee, which review audit findings, risk exposures, and the adequacy of mitigation measures. Regular assessments, self-evaluations, and quarterly testing of controls ensure timely identification of gaps, with corrective actions implemented as necessary. Senior management, including the CEO and CFO, provide certifications on the effectiveness of internal controls, reinforcing accountability and governance. Overall, the integrated risk and control framework supports a strong risk-aware culture and enhances operational resilience and financial discipline.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives and predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effects of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

Sources of Information: Data in this section has been sourced from various publicly available sources such as International Monetary Fund (IMF), Reserve Bank of India (RBI), Press Information Bureau (PIB), Ministry of Finance, India Brand Equity Foundation (IBEF), AMFI, FADA, DEA, MoSPI, etc.

Report on Corporate Governance

Corporate Governance Philosophy

The Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. The Company believes that sound Corporate Governance is essential for enhancing long term shareholder value and retaining investor trust. The Company manages its affairs with diligence, transparency, responsibility and accountability to generate long term value for its stakeholders on a continuous and sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

The Company's Governance processes and practices ensure that the interests of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organization.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties towards all its stakeholders with the Corporate Governance mechanism in place.

The Company is compliant with the Corporate Governance requirements prescribed under the

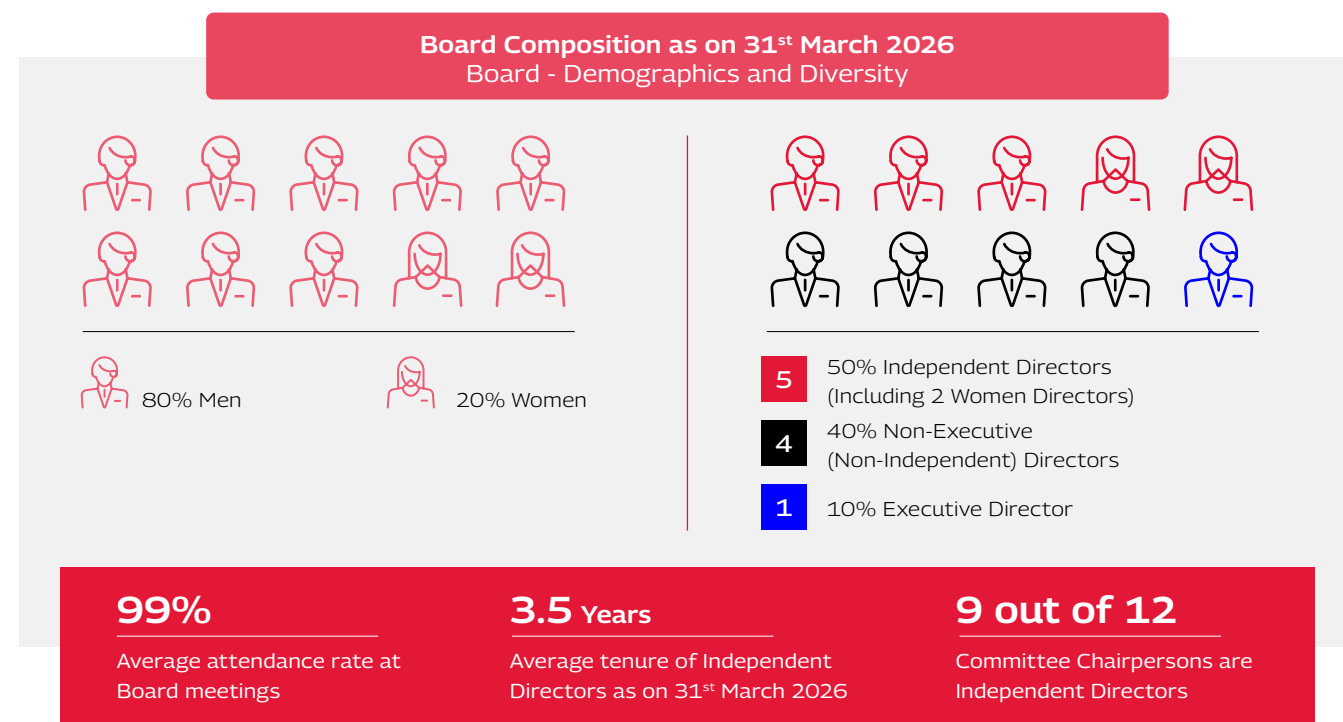
Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the applicable Reserve Bank of India guidelines for Non-Banking Financial Companies. A detailed report on compliance with the Corporate Governance provisions for the financial year ended March 31, 2026 forms part of this Annual Report.

The Company recognises transparency, accountability, and strict regulatory compliance as the cornerstone of good corporate governance and continuously endeavours to adopt and implement industry-leading practices in its corporate secretarial functions.

Board of Directors and Committees

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations, as amended from time to time.

The Board of your Company comprised of Ten Directors as on 31st March 2026. As on the date of the report, the Company has a Non-Executive Non-Independent Chairman, a Managing Director & CEO, 3 Non-Executive (Non-Independent Directors) and 5 Independent Directors (including 2 Women Independent Directors).



The Directors possess diverse and strong academic background and bring with them rich and varied experience across areas such as corporate management, banking, finance, economics, marketing, digitisation, analytics, strategy formulation and other allied fields that allow them to contribute effectively by actively participating in the Board and Committee Meetings, providing valuable guidance and expert advice to the Board and the Management and enhancing the quality of Board's decision-making process.

Detailed profile of the Directors is available on the Company's website at the web-link: <https://www.mahindrafinance.com/about-us/management>.

COMPOSITION OF THE BOARD

Composition and other details of Board of Directors as on 31st March 2026

Dr. Anish Shah DIN - 02719429 Non-Executive Non-Independent Director & Chairman		
Nationality	American (OCI Card holder, resident of India)	
Age	56 years	
Qualifications and other details in brief	Dr. Anish Shah holds a PhD from Carnegie Mellon's Tepper School of Business, where his doctoral thesis was in the field of Corporate Governance. He also received a Master's degree from Carnegie Mellon and has a post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has received various scholarships, including the William Latimer Mellon Scholarship, Industry Scholarship at IIMA, National Talent Search and Sir Dorabji Tata Trust.	
Date of Appointment on Board	18 th March 2016	
Tenure on Board	~10 years	
Term Ending Date	N.A.	
Shareholding in Company	Nil	
Board Memberships - Indian Listed Entities		
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Chairman	
Mahindra & Mahindra Limited	Group CEO & Managing Director	
Mahindra Logistics Limited	Non-Executive Non-Independent Chairman	
Mahindra Lifespace Developers Limited		
Tech Mahindra Limited	Non-Executive Non-Independent Director	
Mahindra Holidays & Resorts India Limited		
Other Directorships*	1	
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil Member: Nil	

Mr. Raul Rebello	
DIN - 10052487	
Managing Director & CEO	
	
Nationality	Indian
Age	48 years
Qualifications and other details in brief	Mr. Raul Rebello is a Postgraduate in Management from the Goa Institute of Management.
Date of Appointment on Board	1 st May 2023
Tenure on Board	~3 years
Term Ending Date	30 th April 2028
Shareholding in Company	44,668 (0.003%)
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Managing Director and CEO (Executive Director)
Other Directorships*	3
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil
	Member: 2

Mr. Diwakar Gupta	
DIN - 01274552	
Independent Director	
	
Nationality	Indian
Age	73 years
Qualifications and other details in brief	Mr. Diwakar Gupta is a post-graduate in Physics from the University of Delhi and a graduate with Honours in Physics from St. Stephen's College, New Delhi.
Date of Appointment on Board	1 st January 2023
Tenure on Board	~3 years
Term Ending Date	31 st December 2027
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Mahindra Holidays & Resorts India Limited	
Alkem Laboratories Limited	
SMFG India Credit Company Limited	
Other Directorships*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 4
	Member: 6

COMPOSITION OF THE BOARD (Contd.)

Mr. Milind Sarwate	
DIN - 00109854	
Independent Director	
	
Nationality	Indian
Age	66 years
Qualifications and other details in brief	Mr. Milind Sarwate is a Chartered Accountant, Cost Accountant, Company Secretary, and a CII-Fulbright Fellow (Carnegie Mellon University, USA).
Date of Appointment on Board	1 st April 2019. (Date of re-appointment : 1 st April 2024)
Tenure on Board	7 years
Term Ending Date	31 st March 2029
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Asian Paints Limited	
Viyash Scientific Limited (formerly Sequent Scientific Limited)	
FSN E-Commerce Ventures Limited	
CEAT Limited	
Hexaware Technologies Limited	
Other Directorships*	1
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 5
	Member: 8

Dr. Rebecca Nugent	
DIN - 09033085	
Independent Director	
	
Nationality	American
Age	49 years
Qualifications and other details in brief	Dr. Rebecca Nugent received her PhD in Statistics from the University of Washington, her M.S. in Statistics from Stanford University, and her B.A. in Mathematics, Statistics and Spanish from Rice University.
Date of Appointment on Board	5 th March 2021 (Date of re-appointment : 5 th March 2026)
Tenure on Board	5+ years
Term Ending Date	4 th March 2031
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil
	Member: Nil

Mr. Amarjyoti Barua	
DIN - 09202472	
Non-Executive Non-Independent Director	
	
Nationality	Indian
Age	48 years
Qualifications and other details in brief	Mr. Barua is the Chief Financial Officer for the Mahindra Group and a member of Group Executive Board. He was the Group Strategy Head until May 2024. He holds a Bachelor's degree in Economics and a Master's degree in Business Administration.
Date of Appointment on Board	28 th July 2023
Tenure on Board	~3 years
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive Non-Independent Director
Other Directorships*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1
	Member: 6

Mr. Ashwani Ghai	
DIN - 09733798	
Non-Executive (Non-Independent) Director	
	
Nationality	Indian
Age	61 years
Qualifications and other details in brief	Mr. Ashwani Ghai is a post-graduate in Economics, PGEP from IIM Ahmedabad & Fellow of the Insurance Institute of India (FIII).
Date of Appointment on Board	23 rd June 2023
Tenure on Board	~3 years
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive (Non-Independent Director), representing Life Insurance Corporation of India holding 10.26% of equity shares of the Company as on 31 st March 2026.
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil
	Member: 1

COMPOSITION OF THE BOARD (Contd.)

Mr. Vijay Kumar Sharma	
DIN - 02449088	
Independent Director	
	
Nationality	Indian
Age	67 years
Qualifications and other details in brief	Mr. Vijay Kumar Sharma is a post-graduate (M.Sc.) in Botany from Patna University with over four decades of experience in corporate world
Date of Appointment on Board	15 th May 2024
Tenure on Board	~ 2 years
Term Ending Date	14 th May 2029
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Reliance Power Limited	
Nureca Limited	
Tata Steel Limited	
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 2
	Member: 4

Ms. Padmaja Chunduru^	
DIN - 08058663	
Independent Director	
	
Nationality	Indian
Age	64
Qualifications and other details in brief	Ms. Padmaja Chunduru is a post-graduate (M.Com) from Andhra Pradesh University and a seasoned financial services executive with over 37 years of banking and capital markets experience in India and USA.
Date of Appointment on Board	10 th November 2025
Tenure on Board	~4 months
Term Ending Date	9 th November 2030
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Independent Director
Brigade Enterprises Limited	
Atul Limited	
Other Directorships*	6
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: 1
	Member: 9

Mr. Parag Rao^	
DIN - 02436612	
Non-Executive (Non-Independent Director)	
	
Nationality	Indian
Age	60
Qualifications and other details in brief	Mr. Parag Rao is an Electrical Engineer from REC Jamshedpur and an MMS graduate from S.P Jain Institute of Management Mumbai.
Date of Appointment on Board	10 th December 2025
Tenure on Board	~3 months
Term Ending Date	N.A.
Shareholding in Company	Nil
Board Memberships - Indian Listed Entities	
Mahindra & Mahindra Financial Services Limited	Non-Executive (Non-Independent) Director,
Other Directorships*	Nil
Committee details as per Regulation 26 of Listing Regulations**	Chairperson: Nil
	Member: 1

Notes:

Except for the MD & CEO, who holds 44,668 equity shares of the Company as on March 31, 2026, none of the other Director(s) hold any shares in the Company.

*Excludes Directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act.

**Committees considered are Audit Committee and Stakeholders Relationship Committee including in MMFSL. In the Committee details provided, Committee Membership(s) includes Chairmanship(s).

^The Shareholders through postal ballot notice dated 7th January 2026 have approved the appointment of Ms. Padmaja Chunduru as an Independent Director of the Company, for a term of 5 consecutive years with effect from 10th November 2025 up to 9th November 2030 (both days inclusive), and Mr. Parag Rao as Non-Executive (Non-Independent) Director with effect from 10th December 2025 liable to retire by rotation.

CORE SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

A chart/matrix setting out the core skills/expertise/competencies identified by the Board of Directors in the context of the Company's business and sector(s) as required collectively to function effectively and those available with the Board during FY2026, are given below:

Skills	Brief description of skill sets required in Board in context of business of the Company										
		Dr. Anish Shah	Mr. Raul Rebello	Mr. Amarjyoti Barua	Mr. Ashwani Ghai	Mr. Diwakar Gupta	Mr. Milind Sarwate	Dr. Rebecca Nugent	Mr. Vijay Kumar Sharma	Ms. Padmaja Chunduru	Mr. Parag Rao
Business Experience	Established leadership skills in strategic planning, succession planning, driving change and long-term growth and guiding the Company towards its vision, mission and values.										
	Critically analysing complex and detailed information and developing innovative solutions and striking a balance between agility and consistency.	√	√	√	√	√	√	√^	√	√	√
	Expertise in the field of Banking and Financial Services.										
Financial Experience and Risk Oversight	Understanding of Finance and Financial Reporting Processes.										
	Risk oversight comprising ability to understand and oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk.	√	√	√	√	√	√	√	√	√	√
Technology and Innovation	An appreciation of emerging trends in Banking and Financial services across the globe.										
	Expertise in digital and robotic innovation in the field of Finance and Investments.	√	√*	√	√	√	√	√	√	√	√
	Ability to visualise future trends and devise strategies for adoption.										
Governance and Regulatory Oversight	Devise systems for compliance with a variety of regulatory requirements.										
	Reviewing compliance and governance practices for a long-term sustainable growth of the Company and protecting stakeholders' interest.	√	√	√	√	√	√	√^	√	√	√
Consumer Insights and Marketing Exposure (mainly rural and semi-urban markets)	Ability in developing strategies to increase market share through innovation, build better brand experience for customers, improve prospective customer engagement levels and help establish active customers become loyal brand followers.	√	√	√	√	√	√	√	√	√	√

* Partly for digital and robotic innovation.

^ Possesses foundational skills

CHANGES IN BOARD MEMBERS DURING FY2026

The Board, as a part of its succession planning, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The following changes in the Board composition were recommended by the Nomination and remuneration Committee (“NRC”) and approved/noted by the Board of Directors of the Company during the year under review:

Board Members	Changes	Effective date and Period
Dr. Rebecca Nugent	Re-appointed as an Independent Director for a second term of 5 consecutive years	from 5 th March 2026 to 4 th March 2031
Ms. Padmaja Chunduru	Appointed as an Independent Director	from 10 th November 2025 to 9 th November 2030
Mr. Parag Rao	Appointed as a Non-Executive (Non-Independent) Director	w.e.f. 10 th December 2025

*There were no changes in KMPs during the year

The details of change in composition of the Board during the previous financial year i.e. FY2025 is given below:

Board Members	Changes in FY2025	Effective date/Period
Mr. Ramesh Iyer	Superannuated from the position of Vice-Chairman and Managing Director of the Company & ceased to be the Director and KMP of the Company	w.e.f. 29 th April 2024
Mr. Raul Rebello	Appointed as the Managing Director and KMP, designated as “Managing Director & CEO”	w.e.f. 30 th April 2024 to 30 th April 2028.
Mr. Vijay Kumar Sharma	Appointed as an Independent Director for first term of 5 consecutive years	w.e.f. 15 th May 2024 to 14 th May 2029
Mr. Milind Sarwate	Reappointed as an Independent Director for a second term of 5 consecutive years	w.e.f. 1 st April 2024 to 31 st March 2029
Mr. Dhananjay Mungale and Ms. Rama Bijapurkar	Ceased to be Independent Directors of the Company on completion of their second term of 5 consecutive years	w.e.f. 23 rd July 2024
Mr. C. B. Bhave	Ceased to be Independent Director of the Company on completion of second term of 5 consecutive years	w.e.f. 2 nd February 2025

Management Team

The Management of the Company comprises Senior Executives from different functions headed by the Managing Director & CEO (“MD & CEO”) who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of Management to ensure that the long-term objectives of enhancing stakeholders’ value are met.

The Senior Management of your Company have made disclosures to the Board confirming that there have been no material financial and commercial transactions between them and the Company during FY2026 which could have potential conflict of interest with the Company at large.

Board Meetings and attendance thereat

The Board of Directors met eight times during the year under review i.e. on 22nd April 2025, 02nd May 2025 , 08th May 2025, 22nd July 2025, 28th October 2025, 08th December 2025, 28th January 2026 and 31st March 2026 as against the statutory requirement of at least four meetings. The requisite quorum was present for all the Meetings.

The maximum time gap between any two Board meetings was not more than one hundred and twenty days. These Meetings were well attended.

The details of attendance of Directors at the Board Meetings held during the financial year under review is as under:

Name of Directors	1 22 nd April 2025	2 02 nd May 2025	3 08 th May 2025	4 22 nd July 2025	5 28 th October 2025	6 08 th December 2025	7 28 th January 2026	8 31 st March 2026	Meeting Held/ Eligible to attend during the year	Attended	% of attendance of a Director across all Board meetings
Dr. Anish Shah	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Mr. Raul Rebello	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Mr. Milind Sarwate	✓			✓	✓		✓	✓	8	8	100%
Dr. Rebecca Nugent								✓	8	8	100%
Mr. Diwakar Gupta						✓	✓		8	8	100%
Mr. Ashwani Ghai	✓		✓	✓	✓			✓	8	8	100%
Mr. Amarjyoti Barua	✓	✓	✓	✓	✓	✓	✓	✓	8	8	100%
Mr. Vijay Kumar Sharma	✓			✓	✓			✓	8	8	100%
Ms. Padmaja Chunduru	NA	NA	NA	NA	NA	✓	LOA		3	2	67%
Mr. Parag Rao	NA	NA	NA	NA	NA	NA	✓	✓	2	2	100%
% of attendance of Board as a whole at each board meeting	100%	100%	100%	100%	100%	100%	90%	100%			

- Attended through video conference | ✓ - Attended in-person | LOA - Leave of absence

Notes:

- All the meetings of the Board of Directors held during FY2026 were conducted in physical form with option to the Directors to participate via VC.
- Attendance and percentage are calculated for meetings attended during the Director’s tenure.
- All Directors as on that date were present at the 35th AGM of the Company held on 22ndJuly 2025 through Video Conferencing.

COMPLIANCE WITH DIRECTORSHIP LIMITS

Based on disclosures received from the Directors, it is confirmed that as on 31st March 2026, none of the Directors of the Company:

- Hold Directorship positions in more than twenty companies (including ten public limited companies and seven listed companies);
- Is a member of more than ten committees and/or Chairperson of more than five committees, across all the Indian public limited companies in which they are Directors;

For determination of committee position limits, chairpersonship and membership positions of the Audit Committee and the Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the Listing Regulations.

The above compliances were met throughout the year.

CERTIFICATE REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

A certificate issued by M/s. Makarand M. Joshi & Co., Company Secretaries, pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the Listing Regulations, certifying that none of the Directors on the Board of the Company as on 31st March 2026, have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority as attached at the end of the Corporate Governance Report as "Annexure A".

BOARD CONFIRMATION REGARDING INDEPENDENCE OF THE INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rules framed thereunder, and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the disclosures received from all the Independent Directors, the Board after taking these declarations/disclosures opined that the Independent Directors fulfil the conditions of independence as prescribed under the Listing Regulations, are persons of integrity, possess the relevant expertise, proficiency, and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management.

None of the Directors including Independent Directors of the Company have resigned during the financial year.

MEETINGS OF INDEPENDENT DIRECTORS

Two meetings of Independent Directors were held on 13th October 2025 and 31st March 2026, vis-a-vis the Statutory mandate of holding minimum one meeting in a year. These Meetings were conducted without the presence of the Non-Independent Directors and members of the Management wherein they put forth their views and discussed the matters relating to Company's affairs. All the Independent Directors were present for both the meetings.

At these Meetings, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, assessed the quality, quantity, and timeliness of the flow of information

between the Management and the Board and its Committees that is necessary for the Board to effectively and reasonably perform and discharge its duties. Both these Meetings were well attended by the Independent Directors. Suggestions provided by them were well received by the management for implementation.

FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company has adopted a structured programme for orientation for all Independent Directors at the time of their joining to familiarise them with the Company – its operations, business, industry and environment in which it functions and the regulatory environment applicable to it.

Pursuant to the provisions of the Act and Regulation 25(7) of the Listing Regulations, the Company has during the year conducted familiarisation programmes through briefings at Board/Committee meetings for all its Directors including Independent Directors, which inter-alia, included the following:

- Organised one day dedicated training on IT & Cyber Security for certain Board Members at IDRBT, Hyderabad, as mandated by RBI;
- Organised visit for certain Board Members to Company's Central Processing Centre (CPC) for live briefing on Company's operations enabled by Tech and AI;
- Organised visit for certain CSR Committee Members to one of Company's CSR site for witnessing live training being provided, interaction with beneficiaries of Company's Financial literacy programs;
- Quarterly reviews including Business performance update and Financial review;
- Presentations made by Internal Auditors and Joint Statutory Auditors;
- Updates on Risk Management: identification, mitigation and management of risk including credit risk, operation risks, emerging risks including due to Geopolitical situation etc.;
- Review Annual Budget and Business Strategy;
- Industry Outlook, Competition update;
- Annual awareness on Cyber Security, BRSR, and SEBI PIT Regulations;
- Update on Information Technology Framework and strategy including Digitalization initiatives, IT Outsourcing activities, IT related policies and audit reports;

- Updates on Digital and AI components/projects/ initiatives/applications;
- Strategy/Performance and investments made by subsidiary companies;
- Implementation of Liquidity Risk Management (LRM) framework and Review of LRM & Asset Liability Management (ALM) returns;
- Reviewing of RBI Inspection Report;
- Statutory/Regulatory updates, impact, actionable and implementation status at Board and various Committees of the Board;
- Briefing on CSR activities, BRSR performance and ESG initiatives;
- Update on Company's remuneration policies, peer benchmarking, Code of Conduct and Succession Planning for Directors, KMPs and Senior Management;
- Formulation, amending and reviewing of various policies at the Board/Committee level;
- News, articles related to the Company;
- Circulating press releases, key disclosures made to Stock Exchanges;
- Prevention of Insider Trading Regulations, SEBI Listing Regulations;
- Discussions on Internal Control over Financial Reporting, Internal Control Processes, Framework for Related Party Transactions, etc.;
- Updates on Roles, Rights and Responsibilities of Directors and Company's Policies

Pursuant to Regulation 46 of the Listing Regulations, the details of familiarisation programmes are available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program>

BOARD PROCEDURES

The Board and its Committees meet at regular intervals to discuss and decide on the Company's

business policies and strategies apart from statutory and other routine matters.

Overall strategic direction and periodical review of matters by the Board and its Committees

The Board provides the overall strategic direction and conducts structured reviews by itself or through its Committees, which comprehensively encompasses all the facets of Company operations including periodical review of strategy and business plans, annual operating and capital expenditure budgets, loan disbursements, fund raising proposals, default in financial obligations, if any, NPA Position, LRM and ALM position, credit ratings, ESG initiatives including BRSR and CSR initiatives, investments and exposure limits, RBI Inspection reports, approval and adoption of quarterly/half-yearly/annual results, risk assessment and minimization procedures, stakeholder relationship matters, Policies, compliance report(s) of all laws applicable to the Company, as well as steps taken to rectify instances of non-compliances, if any, review of major legal issues, minutes of the Committees of the Board, major accounting provisions and write-offs, corporate restructuring, details of any joint venture or collaboration agreement(s) etc.

Information and presentations at Meetings

To enable the Board to discharge its responsibilities effectively and take informed decisions, the MD & CEO apprises the Board at every quarterly Board Meeting on the overall performance of the Company, as well as the current market conditions including the Company's business and the regulatory scenario, followed by presentation on Financial performance of Company, its subsidiaries, and JVs. Functional and other updates are also presented to the Board on periodical basis.

Review of subsidiary matters

The Board is briefed on the operating and financial performance of the subsidiaries. The minutes of the Board meetings of your Company's subsidiary companies, business performance along with a statement of all significant transactions, arrangements entered, and investments made by all the unlisted subsidiary companies are placed before the Board. Further, observations/supervisory concerns arising from inspection reports, if any, from regulators governing respective subsidiaries of the Company, penalties levied, if any, and impact of key regulatory changes are also placed before the Board for its review.

Best Corporate Secretarial practices

- Silent period observed from 1st day of the month after quarter end till announcement of results, wherein no interactions are held with investors/analysts/funds to ensure protection of unpublished price sensitive information.
- Quarterly secretarial audit conducted and the reports are placed before the Board.
- Enhanced Terms of Reference of Board & Committees for increased oversight and providing quarterly confirmations to the Board/Committees of Board on compliance with specified Terms of reference.
- Executive briefing of all important proposals to be discussed at the Board and Committee Meeting sent separately to the Directors.
- Separate meetings of Joint Statutory Auditors, Internal Auditor, and Chief Compliance Officer with Audit Committee were held to enable free and frank discussions.
- Subsidiary oversight includes review of supervisory concerns.
- Investor Grievance Redressal framework updated to provide timely redressal and escalation mechanism.
- Secured Board Portal – as archive to all Board materials, and protection of Unpublished Price Sensitive Information (“UPSI”).

Notice of meetings and agenda

The Company sends the notice of the meetings accompanied by detailed agenda and agenda notes setting out the business to be transacted at the Meeting(s) to each Director at least seven days before the date of the Board and Committee Meetings except in case of shorter notice to transact urgent business. During FY2026, the Company had sent the Board and Committee agendas generally 9 days prior to the Board and Committee meetings except in case of shorter notice to transact urgent business. All the agenda items were supported by detailed notes, rationale for proposal, documents, and presentations, if any, to enable the Board and Committee to take informed decisions.

During FY2026, two Board meetings were held at a shorter notice, i.e. on 02nd May 2025 and 08th May 2025 to transact the urgent matters with respect to Rights Issue of the Company.

The Company has a well-established framework for the meetings of the Board and its Committees which seeks to systematise the decision-making process at the Board and Committee meetings in an informed and efficient manner. A summary of all the proposals forming part of the agenda is circulated to the Board for ease of reference. Further, a summary of the minutes is also circulated post conclusion of the meeting.

The key matters placed before the Board during FY2026, inter-alia, included the following:

Strategic, Finance and Operational matters	Statutory and Governance matters
• Reviewing and guiding the corporate strategy; • Business Partnerships; • New products and Policies; • Quarterly / Half yearly / Annual consolidated and standalone results and financial statements of the Company; • Recommendation of Dividend; • Business performance along with performance of subsidiaries; • Annual operating plans and capital budgets; • Regular business/function updates.	• Corporate Social Responsibility related matters; • Appointment and remuneration to Directors, Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”); • Quarterly compliance certificate with exceptions, if any, of regulatory or statutory compliances; • Noting of RBI Inspection Report under Section 45N of the RBI Act 1934 for year ended 2025 • Overseeing risk management framework of the Company; • Minutes of meetings of the Board and its committees along with the minutes of its subsidiaries and resolutions passed by circulation; • Adoption/Amendment/Periodical reviews of policies as statutorily required and recommended by the Board Committees;

The key matters placed before the Board during FY2026 (Contd.)

Strategic, Finance and Operational matters	Statutory and Governance matters
	• Approval for re-constitution of Committees of Board • Significant transactions or arrangements by subsidiary companies; • Performance evaluation of the Board, its committees and each director; • Quarterly review of related party transactions and other related matters; • Quarterly review of Complaints, if any, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; • Quarterly returns on frauds monitoring system; • Annual review of the Internal Audit Report/Action taken report provided by the Registrar and Transfer Agent; • Materially important show cause, demand, prosecution notices and penalty notices, if any; • Performance evaluation of Statutory Auditors and Internal Auditor.

Frequency and Calendar of Meetings

The Board and Committee meetings were pre-scheduled, and a calendar of the meetings scheduled in Calendar Year 2026 and 2027 was sent to the Directors well in advance.

The frequency of meetings scheduled and held are higher than the regulatory requirement (including as per the Act, Listing Regulations and RBI) to enable review of all Company matters at periodical intervals. Details are as under:

Nature of Meeting	Frequency of meetings as prescribed in a year	No. of meetings held in FY2026 (higher/aligned as per Company's Internal Guidelines on Corporate Governance)
Board	4	8
Independent Directors Meeting	1	2
Audit Committee	4	6
Nomination and Remuneration Committee	1	5
Stakeholders Relationship Committee	1	2
Risk Management Committee	2	4
Corporate Social Responsibility Committee	Not prescribed	3
Asset Liability Committee	Not prescribed	4
IT Strategy Committee	4	5
Digital and AI Committee (Voluntary Committee)	Not Applicable	4
Special Committee of Board for Monitoring and follow-up of Fraud cases	Not prescribed	4
Review Committee for Classification of Wilful Defaulters	Not prescribed	1
Committee on Lending to Related Parties	Not prescribed	NA

Process for preparation of Agendas for Board and its Committees

The agenda of the Board and the Committee Meeting are prepared in consultation with the Chairman, MD&CEO, and the CFO. The Agenda proposals are also generally shared with Chairpersons of respective Committees to seek their inputs before dispatch of Agenda. Members of the Board/Committees are encouraged to freely express their views on the agenda items and are assisted with necessary clarifications and information that they might need with respect to the Agenda even prior to the meeting to enable meaningful participation at the meeting. Summary of Board/Committee proposals is also shared prior to the meeting for easy reference.

Secured Electronic Board Portal

The Company has a secured Board portal which inter-alia provides a one stop and seamless solution for access and archive to Board/Committee materials to all the Directors and helps in protection of UPSI.

Post meetings follow up procedure

An Action Taken Report on the key decisions taken/suggestions made at Board and Committee Meetings is recorded with details of owner and Target date and update thereof is placed and discussed at the subsequent meetings of the Board and the Committee for its review.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

The Act and the Listing Regulations stipulate the evaluation of the performance of the Board, its Committees, Individual Directors, and the Chairperson. The Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors via secured Board Portal which includes criteria for performance evaluation of the Non-Executive Directors and Executive Director.

An annual performance evaluation exercise was carried in compliance with the applicable provisions of the Act, Listing Regulations, the Company's Code of Independent Directors and the criteria and methodology of performance evaluation approved by the NRC as under:

Evaluating body	Evaluatee	Broad criteria and parameters of evaluation	Process of evaluation
The Board, the NRC and the Independent Directors	The Board as a whole	Review of fulfilment of Board's Responsibilities including Strategic Direction, financial reporting, risk management framework, ESG, Grievance redressal, succession planning etc., knowledge of industry trends, diversity of Board etc. and feedback to improve Board's effectiveness.	Internal assessment through a structured and separate rating-based questionnaire for each of the evaluations. The evaluation is carried out on a secured online portal whereby, the evaluators can submit their ratings and qualitative feedback, details of which are accessible only to the NRC Chairperson. The NRC also reviews the implementation and compliance of the evaluation exercise done annually. The results and outcome are evaluated, deliberated upon and noted by the Independent Directors, the NRC, and the Board at their respective meetings.
The Board	The Committees of the Board (separately for each Committee)	Structure, composition, attendance and participation, meetings of Committees, effectiveness of the functions handled, Independence of the Committee from the Board, contribution to decisions of the Board, etc.	
The Board, the NRC, and the Independent Directors	Independent Directors including those seeking re-appointment and Non - Independent Directors,	Qualifications, experience, skills, independence criteria, integrity of the Directors; contribution and attendance at meetings; ability to function as a team and devote time, fulfilment of functions, ability to challenge views of others in a constructive manner, knowledge acquired about the Company's business, understanding of industry, fairness and transparency demonstrated, adequacy resource staffing etc.	
The Board, the NRC and the Independent Directors	Chairperson	Skills, expertise, effectiveness of leadership, effective engagement with other Board members during and outside meetings, allocation of time provided to other Board members at the meetings and ability to steer the meetings, commitment, impartiality, ability to keep Shareholders' interests in mind, effective engagement with shareholders during general meetings etc	

The questionnaires for performance evaluation are comprehensive and in alignment with the guidance note on Board evaluation issued by the Securities and Exchange Board of India ("SEBI"), vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January 2017 as amended and merged with SEBI Master Circular NO. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026 and are in line with the criteria and methodology of performance evaluation approved by the NRC.

Outcome and results of the performance evaluation for FY2026

All the Directors of your Company as on 31st March 2026 participated in the evaluation process. They expressed satisfaction with the Evaluation process. During the year under review, NRC ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and individual Directors. The evaluation outcomes for the year under review were deliberated upon at length with the Board members, committee chairpersons and individual Directors. The results reflected a good level of engagement and diligence by the Board and its various committees.

The Board and its Committees were observed to have functioned effectively, in compliance with their terms of reference, supported by timely, qualitative, and comprehensive information, and constructive participation at meetings facilitated by the Chairman. This enabled effective discharge of responsibilities with a strong focus on governance and internal controls. Board members appreciated the effective performance of the Board and Committees during the year, including the continued deepening of focus in risk management, ESG, subsidiary oversight, as agreed last year, in line with leading governance practices.

Based on the evaluation outcome, the Board agreed to enhance its focus on AI related developments and continue to uphold high standards of performance and governance to enhance value for all stakeholders.

REMUNERATION OF DIRECTORS AND THE POLICY ON REMUNERATION OF DIRECTORS AND POLICY ON KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES OF THE COMPANY

Your Company has adopted the Policy on Remuneration of Directors and the Policy on Remuneration of Key Managerial Personnel, Senior Management, and other Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Act, Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions dated 28th November 2025 and Listing Regulations.

Remuneration Policy for KMPs, SMPs and other employees encompasses clawback, malus clauses

to be invoked in cases of fraud, breach of trust, misfeasance etc.

The Policy on Remuneration of Directors, and the Policy on Remuneration of Key Managerial Personnel, Senior Management, and other Employees of the Company were modified/reviewed during the year to inter-alia, align the same with amended legal provisions and introduce certain clauses. The said Policies are uploaded on the website of the Company and can be accessed at : <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

REMUNERATION TO DIRECTORS

The eligible Non-Executive Directors are paid remuneration in the form of sitting fees and commission within the limits prescribed under the Act. The remuneration payable to eligible Non-Executive Directors is recommended by the NRC to the Board of Directors.

Pecuniary relationship with Directors

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that the eligible Non-Executive Directors would be entitled to under the Act, none of the Directors have any other pecuniary relationships or transactions with the Company, its Subsidiaries or Associates, or their Promoters or its Directors, during the two immediately preceding financial years or during the current financial year.

None of the Directors of your Company are inter-se related to each other.

The NRC while deciding the basis for determining the remuneration to the eligible Non-Executive Directors, takes into consideration various relevant factors, including the overall compensation guidelines of the Mahindra Group pertaining to commission, current trends and practices in relevant industries, the market trends in terms of compensation levels, responsibilities undertaken by the Directors such as Chairpersonship/ membership of Committees and their contribution in enhancing stakeholders' value resulting in overall growth of the Company and such other factors as the NRC may deem fit.

The eligible Non-Executive Directors are paid sitting fees for attending meetings of the Board of Directors at ₹ 1,00,000 per meeting per Director, and for Committees at ₹ 60,000 per meeting per Member.

The Company has not granted Stock Options/RSUs to any of its Non- Executive Directors during the year under review.

None of the Non-Executive Directors received remuneration in excess of 50% of the total remuneration paid to all the Non-Executive Directors during the year ended 31st March 2026.

Remuneration of Executive Director includes salary, perquisites, allowances, benefits, amenities, retirals, viz. superannuation, gratuity, provident fund and RSUs. The remuneration of Directors is recommended by the NRC to the Board, within the overall limits approved by the Shareholders of the Company.

The NRC while deciding the basis for determining the remuneration of the Executive Director takes into consideration the individual performance and the business performance. The business performance is evaluated using a Balanced Score Card (“BSC”) while individual performance is evaluated on Key Result Areas (“KRAs”). Both the BSC and KRAs are evaluated at the end of the financial year to arrive at the BSC rating of the business and performance rating of the individual. The performance pay is paid annually basis the Company and individual performance.

Directors' remuneration for FY2026:
Executive Director (“ED”)

(₹ in crore)

Name of the Director	Salary	Perquisites and allowances	Performance Pay of FY 25 paid in FY 26	ESOPs exercised	Company's contribution to Funds [#]	Total	Contract Period	Notice Period
Mr. Raul Rebello, MD & CEO	1.12	1.74	1.41	1.34	0.37	5.98	From 1 st May 2023 to 30 th April 2028	3 months

[#]Aggregate of the Company's contribution to Superannuation fund, Provident fund, and Gratuity amount paid to Director on superannuation.

Notes:

- Mr. Raul Rebello has not received any amount as remuneration from the Subsidiaries of the Company during FY2026.
- RSUs and Performance Pay are performance linked. Other components are fixed. There is no provision for the payment of severance fees.
- The Performance Pay/Incentive is linked to assessment of performance. Performance assessment is based on achievement of individual targets linked to KRAs for the year, defined Level of performance for the role/ individual, and Company's/Business's/Functions' budgets/targets/objectives and achievements and would be paid in FY 2027 if any.

Details of RSUs granted during FY2026 under RSU Plan 2023 to Executive Director:

Mr. Raul Rebello	
Date of grant	28 th October 2025
No. of RSUs granted	82,638
Exercise Price	₹ 2/- per RSU
Vesting period	Vesting in 3 equal tranches
Vesting Conditions	Performance based (Individual & Company) Company Performance parameters include Asset Quality, Cost control, Profit growth (PAT), Digital maturity, Environmental, Social & Governance (ESG) performance

Notes:

- Total number of RSUs granted till March 31, 2026: 2,71,039, of which, 44,313 RSUs have vested and exercised till March 31st 2026, and 2,16,514 RSUs are unvested as on March 31st 2026.
- No RSUs have been granted to Mr. Raul Rebello under the ESOP Scheme 2010.

Non-Executive Directors

Name of the Directors	Sitting Fees for FY2026 (Gross)	Commission for the year ended 31 st March 2025 paid in FY2026	Commission for the year ended 31 st March 2026 provided as payable in the accounts of the Company for the year under review
Non-Executive (Non-Independent) Directors (“NEDs”)			
Dr. Anish Shah	NA	NA	NA
Mr. Ashwani Ghai*	0.10	0.39	0.43
Mr. Amarjyoti Barua	NA	NA	NA
Mr. Parag Rao^	NA	NA	NA
Independent Directors (“IDs”)			
Mr. Milind Sarwate	0.28	0.40	0.44
Dr. Rebecca Nugent	0.13	0.40	0.44
Mr. Diwakar Gupta	0.23	0.40	0.44
Mr. Vijay Kumar Sharma	0.18	0.35	0.44
Ms. Padmaja Chunduru [#]	0.03	NA	0.18

* Mr. Ashwani Ghai was appointed as Non-Executive Director on the Board of the Company w.e.f. 23rd June 2023, representing Life Insurance Corporation of India (“LIC”) on the Board. Sitting fee and commission both were paid to LIC . With effect from 1st May 2024 (post his retirement from LIC) sitting fees is being paid to Mr. Ashwani Ghai and Commission is being paid to LIC.

^ Mr. Parag Rao was appointed w.e.f. 10th December 2025.

[#]Ms. Padmaja Chunduru was appointed w.e.f. 10th November 2025 and commission would be paid on proportionate basis for period served.

CODES OF CONDUCT

In compliance with Regulations 17(5) and 26(3) of the Listing Regulations, the Board has laid down Codes of Conduct for Board Members and for Senior Management and Employees of the Company (“Codes”).

These updated Codes have been posted on the Company's website at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes.

A declaration signed by the Managing Director & CEO to this effect is enclosed at the end of this Report.

CEO & CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, MD&CEO and the CFO have jointly certified to the Board regarding the Financial Statements and internal controls relating to financial reporting for the year ended 31st March 2026.

The MD & CEO and the CFO also jointly give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

RISK MANAGEMENT FRAMEWORK

Risk management forms an integral part of the Company's business. As a lending institution, the Company is exposed to various risks that are related to its lending business and operating environment. Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. The risk management framework is based on assessment of all risks through proper analysis and understanding of the underlying risks before undertaking any transactions and changing or implementing processes and systems.

This risk management mechanism is supported by regular review, control, self-assessments and monitoring of key risk indicators. The Risk Management structure includes identification of elements of risk, including those which in the opinion of the Board, may threaten the existence of the Company.

Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. Through the Board approved Risk Management Policy, a risk conscious culture is led across the Company.

The Board of Directors monitor and manage the risks faced by the Company through its committees - the Risk Management Committee, the Asset Liability Committee and the Audit Committee.

The Risk Management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Report, forming part of this Integrated Annual report.

Technology Driven Solution for Statutory Compliance Management

The Company has implemented a compliance software for ensuring compliances with applicable laws and statutory obligations. It provides for timely alerts to ensure compliances within stipulated timelines. To mitigate compliance risk and to ensure timely dissemination and adherence to information on regulatory prescriptions and guidelines, the Company has put in place mechanism (circular Management process) to disseminate to the stakeholders regulatory guidelines for timely implementation.

Internal Guidelines on Corporate Governance

In accordance with the applicable provisions of the Listing Regulations and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025 dated 28th November 2025, the Company has in

place the Internal Guidelines on Corporate Governance and the same is also published on the website of the Company, for the information of the stakeholders.

COMMITTEES CONSTITUTED BY THE BOARD

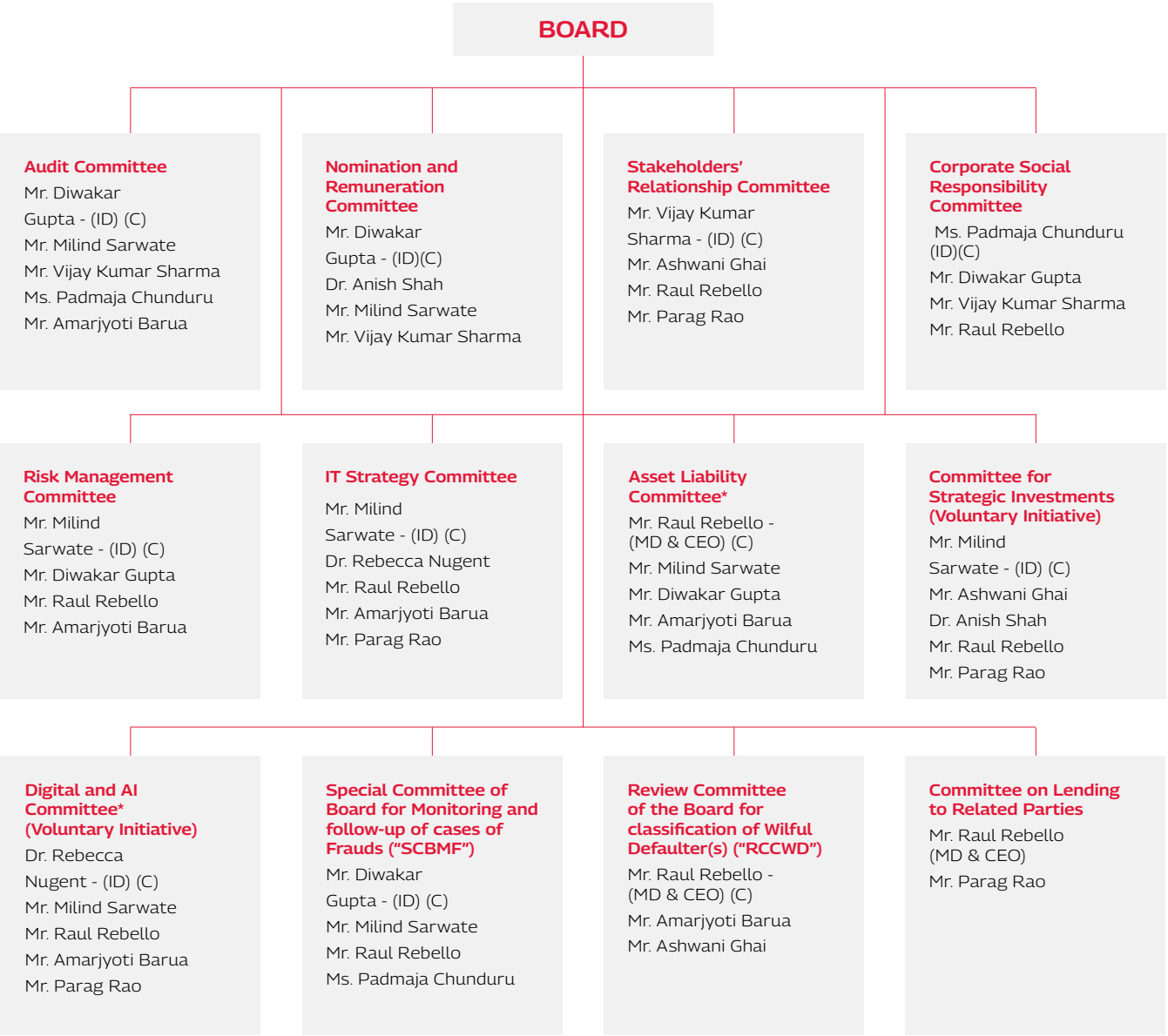
The Committees are constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

Pursuant to RBI's Master Direction Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated 28th November 2025, and Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions dated 28th November 2025, the CEO/MD or the Executive Director (ED) should head the Asset Liability Committee (“ALCO”), and Review Committee of the Board for Classification of Wilful Defaulters (“RCCWD”). Hence all the Committees of the Board except ALCO and RCCWD are chaired and led by an Independent Director.

The composition, role and functioning of these Committees is in compliance with the applicable provisions of the Act, Listing Regulations and applicable RBI Directions. Further, the constitution and role of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, IT Strategy Committee is also in consonance with the Master Directions - Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025 dated 28th November 2025, Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the Reserve Bank of India and Internal Guidelines on Corporate Governance.

During the year under review, all the recommendations received from all its committees were accepted by the Board.

12 Board level Committees and their constitution as on 31st March 2026 is as under:



ID - Independent Director, C – Chairperson

*In addition to the Board members, the said Committee includes employees who are part of the Senior Management, as Members of the Committee, details of which are mentioned in this report.

All Committees except Asset Liability Committee and RCCWD are chaired by Independent Directors.

Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise. The Chairman of the Audit Committee is an Independent Director and was present at the 35th AGM of the Company to address the Shareholders' queries.

Meetings of Audit Committee

During FY2026, the Audit Committee met six times i.e. on 22nd April 2025, 22nd July 2025, 28th October 2025, 12th November 2025, 28th January 2026 and 10th March 2026. Quorum was present at all Meetings and the gap between two Meetings did not exceed 120 days.

The Audit Committee also periodically meets the Statutory Auditors, Internal Auditor, and Chief Compliance Officer of the Company without presence of the Management of the Company to assess the effectiveness of the audit processes and address any concerns.

Audit Committee Constitution:

Composition	Statutory Requirement	No. of Members as on 31 st March 2026
Total Members	Minimum 3 Directors	5
Independent Directors	Minimum 2/3 Members	4 (more than 2/3 rd)
Non- Executive Non- Independent Director	-	1

Audit Committee composition as at 31st March 2026 and attendance at the meetings held during FY2026

Audit Committee Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Diwakar Gupta (Chairperson w.e.f. 3 rd February 2025)	ID	03.02.2023	6 out of 6	100%
Mr. Amarjyoti Barua	NED	27.10.2023	5 out of 6	83.33%
Mr. Milind Sarwate	ID	09.04.2019	6 out of 6	100%
Mr. Vijay Kumar Sharma	ID	03.02.2025	6 out of 6	100%
Ms. Padmaja Chunduru	ID	28.01.2026	1 out of 1	100%

Mr. Amarjyoti Barua was granted Leave of Absence ("LOA") from Audit Committee meeting held on 12th November 2025.

Terms of reference of Audit Committee

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.

Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. The terms of reference include, inter-alia, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the Management the quarterly and annual financial statements and the Auditors' Report thereon before submission to the Board for approval, select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, approve transactions of the Company with related parties including subsequent modifications thereof and grant omnibus approvals for related party transactions subject to fulfilment of certain conditions, recommendation for appointment/reappointment and remuneration of Auditors, review and monitor the Auditor's independence and performance, effectiveness of the audit process, suggestions and other related matters, scrutinise intercorporate loans and investments, reviewing with the Management the statement of uses/application of funds raised through an issue as well as the funds utilised for the purpose other than those stated in the offer document/prospectus/notice, , oversight of Company's compliance reporting as mandate by RBI, information security audit, appointment of internal auditor and performance review etc.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2)(c) and reviews all the information as prescribed in Regulation 18(3) read with Part C of Schedule II of the Listing Regulations.

Separate meetings between the Internal Auditor and the Audit Committee

Four separate meetings between the Head of Internal Audit and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them, which were held on 22nd April 2025, 21st July 2025, 28th October 2025 and 28th January 2026.

Separate meetings between the Joint Statutory Auditors and the Audit Committee

Two separate meetings between the Joint Statutory Auditors and the Audit Committee, without the presence of Management, were enabled to facilitate free and frank discussion amongst them, which were held on 22nd April 2025 and 28th October 2025.

Audit committee on annual basis reviews auditors' independence, performance and audit process effectiveness through an evaluation questionnaire wherein management provides ratings on aspects like audit team strength & quality control processes, understanding of the company's operations, assessment of their independence, strong technical knowledge and professional scepticism, etc.

The key activities of the Audit Committee during FY2026

The details of key matters reviewed/recommended/approved by the Audit Committee during FY2026 as per the terms of reference, prescribed statutorily and by the Board were as under:

Key Matters reviewed/recommended to Board/approved by the Committee during FY2026	Frequency
Recommended Quarterly, Half yearly and Annual Standalone and Consolidated financial statements/results of the Company and other related matters	Q/H/A
Reviewed the internal audit findings, the action taken status and other matters concerning the internal audit functioning of the Company	Q/H/E
Reviewed and granted prior omnibus/specific approvals for transactions with related parties and review of the same	Q/H/A
Noting of Independent third-party evaluation report on the Arm's Length and Ordinary Course of Business methodology adopted by the Company for Related Party Transactions	E
Review of Internal Audit Reports and Regulatory Inspection Reports of Subsidiaries	Q/H/E
Recommended the appointment of the Joint Statutory Auditors and the fees payable to them along with the fees payable for other permitted services to be rendered by the Statutory Auditors	E/A
Approved and recommended the appointment of the Head of Internal Auditor ("HIA") and remuneration payable to HIA	E
Reviewed the performance of the Joint Statutory Auditors and Internal Auditors	A
Reviewed the Management's discussion and analysis of the financial condition and results of operations of the Company	A
Reviewed the Directors' Responsibility Statement	A

The key activities of the Audit Committee during FY2026 (Contd.)

Key Matters reviewed/recommended to Board/approved by the Committee during FY2026	Frequency
Reviewed the financial statements, in particular the investments made by all subsidiary companies and all significant transactions and arrangements entered by the subsidiary companies	Q/A
Discussion with Credit Rating Agencies on governance & internal control matters	A
Reviewed and approved Risk Based Internal Audit Plan	A/P
Reviewed the report and complaints, if any, under Whistle blower Policy and Report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Q
Reviewed compliance of Systems for Internal Controls for Prevention of Insider Trading	Q/A
Evaluated internal financial controls and risk management systems	P/Q
Reviewed with the management, the statement of uses/application of funds raised through Private Placement of Non-convertible Debentures	Q
Reviewed fraud monitoring report	Q
Recommended to the Board the amendment to the Code/Policy on Prevention of Insider Trading, Policy on materiality of and dealing with Related Party Transactions, Expected Credit Loss Policy, etc.	E

Q- Quarterly; A- Annually; H – Half yearly; E- Event based; P- Periodically

Nomination and Remuneration Committee (“NRC”)

The NRC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The NRC comprises only Non-Executive Directors. NRC is headed by an Independent Director.

Meetings of NRC

During FY2026, the NRC met five times i.e. on 22nd April 2025, 22nd July 2025, 28th October 2025, 08th December 2025 and 28th January 2026. All the Meetings were well attended.

NRC Constitution:

Composition	Statutory Requirement	No. of Members as on 31 st March 2026
Total Members	Minimum 3 Directors	4
Independent Directors	Minimum 2/3 Members	3(more than 2/3 rd)
Non- Executive Non- Independent Director	-	1

NRC composition as at 31st March 2026 and attendance at the meetings held during FY2026

NRC Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Diwakar Gupta (Chairperson w.e.f. 24 th July 2024)	ID	03.02.2023	5 out of 5	100%
Dr. Anish Shah	NED	15.05.2020	5 out of 5	
Mr. Milind Sarwate	ID	23.09.2019	5 out of 5	
Mr. Vijay Kumar Sharma	ID	03.02.2025	5 out of 5	

Terms of reference of NRC

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations and applicable RBI guidelines.

The NRC has been vested with the authority to, inter-alia, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity, and recommend candidates for Board Membership, develop and recommend policies with respect to remuneration of Board, KMPs, senior management and employees of the Company commensurate with the size, nature of the business and operations of the Company, establish Director retirement policies and appropriate succession plans, devise policy on Board Diversity, performance evaluation of Board and its committees, recommend remuneration of senior management to the Board, determine overall compensation policies of the Company, and administer the “Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Scheme – 2010” and administration of RSU Plan(s) and take appropriate decisions in terms of the concerned Scheme(s).

The Committee is also empowered to opine, in respect of the services rendered by a Director in professional capacity, whether such Director possesses requisite qualification for the practice of the profession.

The key activities of the NRC during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the terms of reference, prescribed statutorily and by the Board. The key activities of the NRC are briefed as under:

Key Matters reviewed/recommended to Board/approved by the Committee during FY2026	Frequency
Recommended the remuneration payable to Directors, KMPs and Senior Management to the Board	A
Noted the Fit and Proper declaration of Directors	A
Noted the annual performance evaluation of Board and Committees for FY2026	A
Recommending re-appointment of Directors liable to retire by rotation	E
Approved grants and vesting criteria for grants under MMFSL RSU Plan 2023 and other related matters	E
Succession planning and Attrition Analysis	A
Recommended amendments to Policy for Remuneration to Directors	E
Recommended appointment and remuneration of SMPs	E
Recommended formulation of MMFSL Subsidiaries RSU Plan 2026	E

A- Annually; E- Event based

Compliance with Fit & Proper Criteria for Directors

The Committee, in accordance with the Policy on ‘Fit and Proper’ Criteria for Directors, ensures the “Fit and Proper” status of Directors at the time of appointment and on a continuing basis, as prescribed by the Reserve Bank of India.

All Directors of the Company have confirmed that they satisfy the “Fit and Proper” criteria as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 dated 28th November 2025.

Stakeholders Relationship Committee (“SRC”)

The composition of the SRC of the Board satisfies the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. SRC is headed by an Independent Director.

Meetings of the SRC

During FY2026, the SRC met two times i.e. on 21st April 2025 and 27th October 2025. All the Meetings were well attended.

SRC Constitution:

Composition	Statutory Requirement	No. of Members as on 31 st March 2026
Total Members	Minimum 3 Directors	4
Independent Directors	Minimum 1	1
Executive Directors	-	1
Non-Executive Non-Independent Director	-	2

SRC composition as at 31st March 2026 and attendance at the meetings held during FY2026

SRC Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Vijay Kumar Sharma (Chairperson w.e.f. 24 th July 2024)	ID	24.07.2024	2 out of 2	100%
Mr. Ashwani Ghai	NED	03.02.2025	2 out of 2	100%
Mr. Raul Rebello	ED	30.04.2024	2 out of 2	100%
Mr. Parag Rao	NED	28.01.2026	NA	NA

Ms. Brijbala Batwal, Company Secretary is the Compliance Officer of the Company under Regulation 6 of the Listing Regulations and the Nodal Officer under Investor Education and Protection Fund (“IEPF”) Rules.

Terms of reference of SRC

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and section 178 of the Act, as applicable, besides the other terms as referred by the Board of Directors.

The Committee meets, as and when required, to inter-alia, deal with matters relating to transmission of shares and debentures, approve requests for issue of duplicate share/debenture certificates, issue of new Share Certificate(s) , monitor redressal of grievances of security holders including customers, review of measures taken for effective exercise of voting rights by Shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent (RTA), review of Annual Audit Report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI, formulation and administration of Customer Grievance Redressal Policy, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company. Review Policy inputs of Internal Ombudsman (“IO”), periodic reports, Formulate and approve a Standard Operating Procedure (SOP) and establish a fully automated Complaints Management Software for auto-escalation of complaints to IO.

Further, a report on Customer Grievance Redressal pertaining to grievances/complaints received from the Company's customers is also placed before the Committee for its review. IO is invitee to SRC.

The key activities of the SRC during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Stakeholders Relationship Committee are briefed as under:

Key Matters reviewed/recommended/approved by the Committee during FY2026	Frequency
Reviewed the report on Customer Grievance Redressal and Investor Complaints	P
Reviewed the complaints received from fixed deposit investors and action taken thereon	P
Recommended Customer Grievance Redressal Policy	E
Reviewed compliances related to KFin Technologies Limited (“RTA/KFin”) activities and Investor Related Compliances	P
Noted the amount pertaining to Fixed Deposits, Dividend and shares transferred to IEPF	P
Reviewed various initiatives undertaken by the Company to enable security holders to claim their unclaimed matured fixed deposits/unclaimed dividend/debentures, due for transfer to IEPF	P
Reviewed policy inputs from IO	P
Noted the feedback received from security holders via security holders’ satisfaction survey	P
Reviewed the Action Taken Report provided by RTA based on the report from their Internal Auditor	A
Noted the status of transmission/dematerialisation and issue of duplicate Share/Debenture certificates	P
Review/Noting of: (i) Unclaimed amounts transferred to IEPF (ii) Initiatives taken to reduce the unclaimed amounts to be transferred to IEPF (iii) Measures taken for effective exercise of voting rights by shareholders	A

A-Annually; P- Periodically; E-Event based

Details of complaints/grievances received from Investors and resolved by the Company during the year is given below:

Status of Complaints from Equity and Debenture holders	FY2026
Number of complaints at the beginning of the year	Nil
Number of complaints received during the year	6
Number of complaints not solved to the satisfaction of security holder	Nil
Number of complaints pending at the end of the year	Nil

Corporate Social Responsibility (“CSR”) Committee

The CSR Committee of the Board is constituted in compliance with the requirements of Section 135 of the Act, led by an Independent Director.

Meetings of CSR Committee

During FY2026, the CSR Committee met three times i.e. on 21st April 2025, 27th October 2025 and 23rd January 2026. All Meetings were well attended.

CSR Committee constitution:

Composition	Statutory Requirement	No. of Members as on 31 st March 2026
Total Members	Minimum 3 Directors	4
Independent Directors	1	3
Executive Director	-	1

CSR Committee composition as at 31st March 2026 and attendance at the meetings held during FY2026:

CSR Committee Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Ms. Padmaja Chunduru (Chairperson)	ID	28.01.2026	3 out of 3	100%
Mr. Diwakar Gupta (Chairperson until 27.01.2026)	ID	24.07.2024		
Mr. Vijay Kumar Sharma	ID	23.07.2024		
Mr. Raul Rebello	ED	30.04.2024		

Terms of reference of CSR Committee

The CSR Committee has been constituted by the Board of Directors with powers, inter-alia, to make donations/ contributions to any Charitable and/or CSR projects or programs to be implemented directly or through eligible executing agency(ies), of at least two percent of the Company's average net profits during the three immediately preceding Financial Years in pursuance of its CSR Policy for the Company's CSR initiatives.

The role of CSR Committee includes formulating and recommending to the Board an annual action plan consisting of: (i) list of approved projects or programs to be undertaken within the purview of Schedule VII of the Act; (ii) manner of execution of such projects; (iii) modalities of utilisation of fund; (iv) implementation schedules; (v) monitoring and reporting mechanism for the projects; (vi) details of need and impact assessment, if any, for the projects undertaken and also to monitor the CSR Policy periodically, etc.

The scope of the Committee also includes, inter-alia, the formulation and recommendation to the Board for its approval and implementation, the Business Responsibility and Sustainability Report Policy ("BRSR") Policy (ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft BRSR Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

Pursuant to the commitment of the Company towards sustainable business practices and the increasing adaptability of Environment, Social and Governance (ESG) framework by all companies, the terms of reference of the CSR Committee, inter-alia, also include the following:

- Recommend to the Board, the Company's overall general strategy with respect to Environment, Social and Governance ("ESG") matters
- Ensure ESG and social considerations in the Company's business operations and build a culture of Sustainable Business;
- Ensure compliance with the Sustainability initiatives by Regulators;
- Monitor and ensure the effective implementation of ESG policies of the Company and recommend changes/ deletions/additions/new ESG/Sustainability policies to the Board for its approval and undertake periodical assessment of the Company's ESG performance;
- Ensure in concurrence with the Risk Management Committee that the ESG risks pertaining to the Company are minimal and effectively managed.

The CSR Policy is hosted on the Company's website and can be accessed at web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

The key activities of the CSR Committee during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Corporate Social Responsibility Committee are as under:

Key Matters reviewed/recommended to Board/approved by the Committee during FY2026	Frequency
Reviewed the CSR funds spent towards CSR Projects/activities for FY2026	P
Recommended BRSR and CSR reports of the Company for approval and inclusion in the Annual Report	A
Review of impact assessment reports on CSR	P
Recommended CSR Budget and Annual Action Plan of the Company for FY2026	A
Reviewed the Company's Business Responsibility and Sustainability Performance (including ESG)	P
Recommended amendments to Corporate Social Responsibility Policy	E
Noting of financial audits undertaken by the Company voluntarily for material CSR spend	E

A- Annually; E- Event based; P- Periodically

Risk Management Committee ("RMC")

The RMC of the Board is constituted in compliance with Regulation 21 of the Listing Regulations and applicable RBI regulations, and comprises only Board Members, led by an Independent Director.

Meetings of RMC

During FY2026, the RMC met four times on 21st April 2025, 21st July 2025, 27th October 2025 and 27th January 2026. All meetings were well attended.

RMC Constitution:

Composition	Statutory Requirement	No. of Members as on 31 st March 2026
Total Members	Minimum 3 Directors	4
Independent Directors	Minimum 1	2
Executive Director	-	1
Non-Executive Non-Independent Director	-	1

RMC composition as at 31st March 2026 and attendance at the meetings held during FY2026

RMC Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Milind Sarwate (Chairperson w.e.f. 3 rd February 2025)	ID	09.04.2019	4 out of 4	100%
Mr. Amarjyoti Barua	NED	24.07.2024		
Mr. Diwakar Gupta	ID	03.02.2023		
Mr. Raul Rebello	ED	24.07.2024		

Terms of reference of RMC

The Risk Management Committee was constituted by the Board at its Meeting held on 28th January 2008 to manage the integrated risk, inform the Board about the progress made in implementing a risk management system and review periodically the Risk Management Policy and strategy followed by the Company.

The CRO along with members of the Senior Management apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root causes of risks and their impact, key performance indicators, risk management measures and the steps being taken to mitigate these risks.

Separate meetings between the CRO and the RMC

Separate meetings between the CRO and the RMC, without the presence of Management, were enabled to facilitate free and frank discussion amongst them. During FY2026, four meetings were held on 21st April 2025, 21st July 2025, 28th October 2025 and 27th January 2026.

The key activities of the RMC during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the Risk Management Committee are as under:

Key Matters reviewed/recommended/approved by the Committee during FY2026	Frequency
Reviewed the risks, Risk Management Report, Risk Mitigation measures as prescribed under the Risk Management Policy along with extreme risks, their impact, likelihood and exposure	Q
Reviewed the risk assessment and minimization procedures (methodology, process and system) and adequacy of Risk Management Systems.	P
Reviewed and recommended outcome of ICAAP assessment	P
Recommended amendment to various Product Policies, Policy on Internal Capital Adequacy Assessment Process (ICAAP Policy), Risk Management Policy, Outsourcing Policy, etc.	E

Q-Quarterly; E-Event based; P- Periodically

Committee for Strategic Investments (“CSI”)

Terms of reference of CSI

The Committee for Strategic Investments of the Board is constituted with powers to evaluate and scrutinise significant investments/funding including but not limited to business acquisitions, reviewing and monitoring existing investments in Subsidiaries, Joint Venture(s), and other group companies, overseeing and reviewing performance of the subsidiaries and make necessary recommendations to the Board from time to time, including disinvestments.

Meetings of CSI

During FY2026, no meeting of the Committee was required to be held.

CSI composition as at 31st March 2026

Members of the Committee for Strategic Investments	Category	Member since (dd.mm.yyyy)
Mr. Milind Sarwate (Chairperson w.e.f. 24 th July 2024)	ID	09.04.2019
Dr. Anish Shah	NED	23.03.2017
Mr. Raul Rebello	ED	24.07.2024
Mr. Ashwani Ghai	NED	24.07.2024
Mr. Parag Rao	NED	28.01.2026

Asset Liability Committee (“ALCO”)

A Board level Asset Liability Committee has been constituted from good governance perspective.

Meetings of ALCO

During FY2026, the Committee met four times i.e. on 21st April 2025, 21st July 2025, 27th October 2025 and 27th January 2026. All Meetings were well attended.

ALCO composition as at 31st March 2026 and attendance at the meetings held during FY2026

ALCO Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Raul Rebello (Chairperson w.e.f. 30 th April 2024)	ED	02.02.2022	4 out of 4	100%
Mr. Milind Sarwate	ID	09.04.2019		
Mr. Diwakar Gupta	ID	03.02.2023		
Mr. Amarjyoti Barua	NED	24.07.2024	NA	NA
Ms. Padmaja Chunduru	ID	28.01.2026		
Mr. Pradeep Kumar Agrawal	CFO	05.03.2025		

Terms of reference of ALCO

The Asset Liability Committee was constituted by the Board in 2001. It reviews the working of the Asset Liability Management Committee, its findings and reports in accordance with the guidelines of the Reserve Bank of India (RBI). The Asset Liability Committee reviews risk management policies related to liquidity, interest rates and investment policies. The Committee inter-alia, oversees the Company's short, medium and long-term funding and liquidity management requirements. It also reviews the liquidity position based on future cash flows.

The key activities of the ALCO during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed by the Board. The key activities of the Asset Liability Committee are briefed as under:

Key Matters reviewed/recommended/approved by the Committee during FY2026	Frequency
Reviewed the report of the Asset Liability Management Committee (comprising cash management, liquidity planning, treasury chest policy, stress testing, contingency plan, forex exposure, interest rate risk etc.)	Q
Reviewed the Liquidity Risk Management Policy, Procedure and Framework	P
Noted the report with regards to review of Liquidity Risk Management Framework by an external independent management consulting firm	A
Recommended the amendment to the Liquidity Risk Management Policy and Procedures, Derivative Risk Management Policy, Treasury Chest Policy, Liquidity and Investment Policy, etc.	E

Q- Quarterly; E- Event based; P- Periodically; A - Annually

IT Strategy Committee (“ITSC”)

The Board of Directors at its Meeting held on 24th July 2017, had constituted the IT Strategy Committee in compliance with the provisions of Clause 1.1 of Section-A on IT Governance of the Master Direction No. DNBS. PPD. No.04/66.15.001/2016-17 dated 8th June 2017 which complies with Clause 6 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7th November 2023 issued by the Reserve Bank of India, specifying the IT framework to be adopted for the NBFC sector.

Meetings of ITSC

During the FY2026, the Committee met five times i.e. on 17th April 2025, 03rd July 2025, 18th July 2025, 13th October 2025 and 23rd January 2026.

ITSC composition as at 31st March 2026 and attendance at the meetings held during FY2026

IT Strategy Committee Members	Category	Member since (dd.mm.yyyy)	Attendance and Meetings	% Attendance
Mr. Milind Sarwate (Chairperson)	ID	23.09.2019	5 out of 5	100%
Dr. Rebecca Nugent	ID	28.10.2021	5 out of 5	100%
Mr. Amarjyoti Barua	NED	27.10.2023	4 out of 5	80%
Mr. Raul Rebello	ED	24.07.2024	4 out of 5	80%
Mr. Parag Rao	NED	28.01.2026	NA	NA

Notes:

Mr. Rajesh Doshi, Former Director-IT, NSDL, Special Invitee and Mr. Mohit Kapoor, EVP-Group CTO (Mahindra Group) and Head of Technology of MMFSL, CRO, Chief Digital Officer, CDAO, CISO and Head- ITGRC, are permanent Invitees to the Committee. The meetings of the IT Strategy Committee are also attended by the senior persons from IT team.

Basis the request, Mr. Raul Rebello and Mr. Amarjyoti Barua were granted Leave of Absence (“LOA”) from IT Strategy Committee meeting held on 18th July 2025.

Terms of Reference of ITSC

The scope of the Committee inter-alia, includes review and approval of IT strategy and policy documents, cyber security arrangements, IT outsourcing policies, data privacy and controls, disaster recovery and any other matter related to IT governance.

The key activities of the ITSC during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed statutorily and by the Board. The key activities of the IT Strategy Committee are briefed as under:

Key Matters reviewed by the Committee during FY2026	Frequency
Information technology strategy, projects and initiatives	P
Cyber security posture	P
Data privacy roadmap and controls	P
Cyber security and major information technology incidents	P
Update on Information System audit reports	P
IT Strategy	P
Risk and Compliances pertaining to IT	P
Review of IT outsourcing activities	P
Noting of RBI's phishing simulation exercise report	P
Regulatory updates and approving formation of Information Security Committee and IT Steering Committee	E
Recommended to the Board the amendment to the IT Outsourcing Policy, Cyber Crisis Management Plan, etc.	E

P- Periodically; E-Event based

In compliance with Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices (“MD – IT & GRC”) dated 7th November 2023 issued by the Reserve Bank of India, the IT Strategy Committee has approved constitution of 2 management level committees i.e., Information Security Committee and IT Steering Committee with such members and functions as specified in MD – IT & GRC.

Digital and AI Committee (“DAIC”), a voluntary good governance initiative

The Board at its meeting held on 28th October 2021 had constituted the Digital and AI Committee. The Committee was constituted voluntarily, as a good governance initiative.

Meetings of DAIC

During the FY2026, the Committee met four times i.e. on 17th April 2025, 18th July 2025, 13th October 2025 and 23rd January 2026. All the Meetings were well attended.

DAIC composition as at 31st March 2026 and attendance at the meetings held during FY2026

Digital and AI Committee Members	Category	Member since (dd.mm.yyyy)	Attendance and meetings	% Attendance
Dr. Rebecca Nugent (Chairperson)	ID	28.10.2021	4 out of 4	100%
Mr. Milind Sarwate	ID	28.10.2021	4 out of 4	100%
Mr. Raul Rebello	ED	28.10.2021	3 out of 4	75%
Mr. Amarjyoti Barua	NED	27.10.2023	3 out of 4	75%
Mr. Parag Rao	NED	28.01.2026	NA	NA
Mr. Mohit Kapoor	EVP & Group CTO (M&M)	28.10.2021	4 out of 4	100%
Ms. Deepa Ranjeet	Chief Digital Officer	24.07.2024	4 out of 4	100%
Mr. Bhuwan Lodha	CEO – AI Division, M&M	03.02.2025	4 out of 4	100%

Basis the request, Mr. Raul Rebello and Mr. Amarjyoti Barua were granted Leave of Absence (“LOA”) from attending Digital and AI Committee meeting held on 18th July 2025.

Terms of Reference of DAIC

The Committee was constituted to advise the management on digital and AI strategy and roadmap, horizon scanning on AI trends, helping develop start-up and innovation ecosystem, guiding the management on ethical use of AI, preventing misuse of AI and ensuring data privacy for the customers and employees, helping develop roadmap for data assets which can be monetized later, defining high standards for customer centricity CX, defining data and AI governance framework.

The key activities of the DAIC during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed by the Board. The key activities of the DAIC are briefed as under:

Key Matters reviewed by the Committee during FY2026	Frequency
Governance of Data and AI	P
Emerging trends in AI & Digital domain	P
Adoption and Turbocharging the franchisee	P
Monetisation of Data Assets	P
To attend to such other matters and functions as may be prescribed under applicable laws, as amended from time to time and/delegated by the Board, from time to time	P

P- Periodically

Special Committee of Board for Monitoring and follow-up of cases of Frauds

The Board at its meeting held on 22nd October 2024 had constituted the Special Committee of Board for Monitoring and follow-up of cases of Frauds (“SCBMF”). The Committee was constituted pursuant to RBI's Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024.

Meetings of SCBMF

During the FY2026, the Committee met four times i.e. on 17th April 2025, 18th July 2025, 13th October 2025, 23rd January 2026. The meeting was attended by all the members.

SCBMF composition as at 31st March 2026 and attendance at the meetings held during FY2026

SCBMF Members	Category	Member since (dd.mm.yyyy)	Date of Cessation	Attendance and meetings	% Attendance
Mr. Diwakar Gupta (Chairperson)	ID	22.10.2024	NA	3 out of 4	75%
Mr. Raul Rebello	MD & CEO			3 out of 4	75%
Mr. Milind Sarwate	ID			4 out of 4	100%
Ms. Padmaja Chunduru	ID	28.01.2026		NA	NA

Basis the request, Mr. Diwakar Gupta and Mr. Raul Rebello were granted Leave of Absence (“LOA”) from attending SCBMF meeting held on 17th April 2025 and 18th July 2025 respectively.

Terms of Reference of SCBMF

The terms of reference of the SCBMF are as per the Master Direction DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated 15th July 2024 on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) issued by Reserve Bank of India The SCBMF was constituted to oversee the effectiveness of the fraud risk management and review/monitor cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

The key activities of the SCBMF during FY2026

The Committee reviewed/recommended and approved the matters during FY2026 as per the Terms of reference, prescribed by the Board. The key activities of the SCBMF are briefed as under:

Key Matters reviewed by the Committee during FY2026	Frequency
Report on Cases of Irregularities	Q/P
Trend Analysis - Quarter on Quarter	Q/P
Material frauds (Above ₹ 10 lakhs)	Q/P

Q - Quarterly; P- Periodically

Review committee of the Board for classification of wilful defaulter(s)

The Board at its meeting held on 24th March 2025 had constituted the Review committee of the Board for classification of wilful defaulter(s) (“RCCWD”). The Committee was constituted pursuant to RBI’s Master Directions on Treatment of Wilful Defaulters and Large Defaulters dated 30th July 2024.

Meetings of RCCWD

During the FY2026, the Committee met once on 27th January 2026.

RCCWD composition as at 31st March 2026 and attendance at the meetings held during FY2026

RCCWD Members	Category	Member since (dd.mm.yyyy)	Attendance and meetings	% Attendance
Mr. Raul Rebello (Chairperson)	MD & CEO	24.03.2025	1 out of 1	100%
Mr. Amarjyoti Barua	NED			
Mr. Ashwani Ghai	NED			

Terms of Reference of RCCWD

The RCCWD was constituted to review proposal(s) submitted by the Identification Committee together with written representation and assess the facts or material on record, including assessment through personal hearings and pass a reasoned order which shall be communicated to the wilful defaulter.

Committee on Lending to Related Parties

Pursuant to RBI (Non-Banking Financial Companies – Credit Risk Management) Amendment Directions, 2026 dated 5th January 2026, the Board at its meeting held on 28th January 2026 had constituted the Committee on Lending to Related Parties as under :

1. Mr. Raul Rebello, Managing Director & CEO
2. Mr. Parag Rao, Non- Executive Director

Since the above amendment directions are effective from 1st April 2026, no meeting was required to be held during FY 2026.

Terms of Reference of Committee on Lending to Related Parties

The Committee on Lending to Related Parties was constituted for sanctioning of loans, exceeding prescribed materiality threshold, to related parties, and to perform and execute such actions as prescribed by RBI/ applicable laws or Board of Directors from time to time.

PARTICULARS OF SENIOR MANAGEMENT

The details of Senior Management Personnel (“SMP”) as defined under Regulation 16(d) of the Listing Regulations, including changes therein since the close of previous Financial Year is given hereunder:

Details of Senior Management as on 31st March 2026, with dates for appointments made in FY2026 :

Sr No	Name of SMP	Designation
1.	Mr. Pradeep Kumar Agrawal	Chief Financial Officer
2.	Mr. Mahesh Rajaraman	Chief Risk Officer
3.	Ms. Deepa Ranjeet	Chief Digital Officer
4.	Mr. Manish Sinha	Chief Human Resource Officer
5.	Mr. Mod Narayan Singh	Chief Compliance Officer
6.	Mr. Sandeep Mandrekar	Chief Business Officer
7.	Ms. Usha Sunder	Head of Internal Audit
8.	Ms. Anu Raj	Head- Marketing and Corporate Communication
9.	Ms. Brijbala Batwal	Company Secretary
10.	Mr. Jaspreet Singh Chadha	Chief Business Officer – Mortgages w.e.f 01.02.2026
11.	Ms. Aarti Nihalani	Chief Operating Officer w.e.f. 01.12.2025
12.	Ms. Ketaki Suklikar	Chief Legal Officer w.e.f. 01.11.2025
13.	Ms. Alka Srivastava	Head Underwriting w.e.f. 15.10.2025

Changes/Cessation in Senior Management Personnel during FY2026:

Sr No	Name of SMP	Designation	Reason for change	Effective date of Cessation
1	Mr. Shiv Kumar NV	Chief Business Officer - SME	Appointment Resignation	01-05-2025 28-10-2025
2	Mr. Gaurav Verma	Head - Underwriting	Resignation	03-09-2025
3	Ms. Farida Balsara	Chief Legal Officer	Cessation as SMP due to movement to M&M	31-10-2025
4	Mr. Bijoy Thaplial	Chief Business Officer - Leasing, Partnerships and Payments	Resignation	31-12-2025

Note- Mr. Ramganesch Iyer was appointed as Chief Operating Officer w.e.f. 10th April 2025, however, the offer was later withdrawn by mutual agreement.

SUBSIDIARY COMPANIES

As per the criteria specified in Regulation 16 of the Listing Regulations, there is no material subsidiary of the Company for FY2026.

The Company has complied with the provisions of Regulation 24 of the Listing Regulations with regards to Corporate Governance requirements for subsidiary companies.

DISCLOSURES

Policy for determining Material Subsidiaries

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. The Policy has been hosted on the website of the Company and can be accessed through the web-link: <https://www.mahindrafinance.com/investor-relations/disclosures-under-regulation-46-and-62-of-sebi-lodr>.

The Policy was reviewed as part of the annual review process and was found to be in alignment with the applicable regulatory requirements; accordingly, no changes were considered necessary.

Disclosure of Transactions with Related Parties

All transactions entered with Related Parties as defined under the Act and Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis. The details of the transactions entered with related parties are placed before the Audit Committee for their review on quarterly basis.

During FY2026, there were no materially significant transactions or arrangements entered between the Company and its Promoters, Directors or their Relatives, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in note no. 51 (ii) to Standalone Financial Statements of the Company for the year ended 31st March 2026 forming part of the Annual Report.

In addition to the above, as per the Listing Regulations, your Company has submitted disclosures of Related Party Transactions ("RPTs") to the Stock Exchanges in the prescribed format and published it on the website of the Company.

Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a policy on materiality of and dealing with RPTs pursuant to the provisions of the Act and Regulation 23 of the Listing Regulations, which guides on RPTs including the approval matrix to be followed, materiality threshold, and the manner of entering into Related Party Transactions.

During the year under review, the policy was amended to inter-alia align the same with the recent regulatory provisions, and has been hosted on the website of the Company in accordance with the provisions of the Listing Regulations and can be accessed at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

Particulars of loans/advances etc. pursuant to para A of Schedule V of Listing Regulations

The Company and its subsidiaries has neither made any loans and advances in the nature of loans to Firms/ Companies in which Directors of the Company are interested nor the Company has made any loans and advances in the nature of loans to its subsidiaries and associates during FY2026. Disclosure on the same is given in note no. 51(iv) of the Standalone Financial Statements of the Company for the year ended 31st March 2026. The Company has not availed any loans from M&M, its Holding Company and Promoter, during FY2026.

Disclosure on transactions with M&M as applicable, are given in note no. 51(iv) of the Standalone Financial Statements of the Company for the year ended 31st March 2026.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act, and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November 2025 as amended. Any application guidance/ clarifications/directions/expectations issued by RBI or other regulators are implemented as and when they are issued/applicable.

Accounting policies have been consistently applied, for the preparation of Financial Statements, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

With respect to the annual audited financial statements for the year ended 31st March 2026, the Company is in compliance with the requirements of the applicable Accounting Standards and requisite disclosures have been made in the prescribed format.

Compliance Testing

In compliance with RBI circular dated 11th April 2022, the Company has a well-documented compliance testing program. The Compliance Risk Assessment Framework and Compliance Testing (CRAFT) has been approved by the Board. In terms of the CRAFT, the compliance assessment calendar is created in the beginning of the financial year to finalize the plan and frequency of testing during the year. Accordingly, the Company carries out the testing process on an ongoing basis and results of the compliance testing is placed before the Audit Committee at regular intervals.

Compliance Policy

In compliance with the RBI Circular dated 11th April 2022, the Company has put in place the Compliance Policy duly approved by the Board. Further, the Company has strengthened its Compliance team and processes to ensure effective tracking and monitoring of regulatory compliances.

Compliance with the provisions of the Act and Secretarial Standards

During the financial year ended 31st March 2026, the Company has complied with the requirements of the Companies Act 2013, including Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by Institute of Company Secretaries of India.

Internal Ombudsman

A Report of number of complaints escalated to Internal Ombudsman and status of disposal of such complaints during the period under review was placed before the Board for its review in compliance with the RBI circular on the same.

Code for Prevention of Insider Trading Practices

The Company has, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations") formulated and adopted:

- The 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information ("UPSI"). The Fair Disclosure Code inter-alia, includes the Policy for Determination of "Legitimate Purpose".
- The 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Financial Services Limited' ("Code") was formulated to regulate, monitor and ensure reporting of Trading by Designated Persons and their immediate relative(s) towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom

it is applicable. The provisions of the Code are designed to prohibit identified Designated Persons from trading in the Company's Securities when in possession of UPSI. The Code lays down guidelines for procedures to be followed and disclosures to be made while dealing with Securities of the Company and cautions them of the consequences of violations.

- The Code also includes the **Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information** to inter-alia, strengthen the internal control systems to prevent leak of UPSI, restrict/prohibit communication of UPSI with unauthorised person(s) and curb the unethical practices of sharing sensitive information by persons having access to UPSI. The Policy also provides an investigation procedure in case of leak/suspected leak of UPSI.

Compliance Officer under the Code

Mr. Pradeep Kumar Agrawal, CFO of the Company, acts as the Compliance Officer under the 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra & Mahindra Financial Services Limited.

Insider Trading e-Compliance Module

With a view to automate and facilitate the compliances under the PIT Regulations and the Company's Code, the Company has in place an 'Insider Trading e-Compliance Module, a digital platform ("Portal") for ensuring compliances including provision for reporting of trades, seeking pre-clearances, entering data on sharing of UPSI, submission of disclosures by Designated Persons etc.

Silent period

As a good governance practice, the Company voluntarily observes a 'Silent/Quiet period' starting from 1st day of the start of the month, after the end of the quarter, till the time of announcement of financial results. During this period, no interactions with investors/analysts/funds are held to discuss unpublished financial performance to ensure protection of Company's UPSI.

Structured Digital Database for UPSI

The Company has in place a structured digital database ("SDD") wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database. The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the PIT Regulations.

The Secretarial Auditor has confirmed the compliance by the Company with the SDD in their Annual Secretarial Compliance Report ("ASCR").

Awareness initiatives on Prevention of Insider Trading

- The Company has an internal awareness programme branded as- JAGRUT (enlightened) INSIDERS for creating awareness amongst the Designated Persons (“DPs”) on the applicability, reporting and other compliances to be adhered to, closure of Trading window, protection of UPSI, maintenance of Structured Digital Database, do’s and don’ts, etc. under the Company’s Insider Trading Code, UPSI Leakage Policy and the PIT Regulations.
- The Company also has a dedicated e-mail ID that can be reached by the DPs for FAQs, queries and clarifications on the said Code, Policies and Regulations. There exists a process to include/exclude DPs under the Code. Guidance is given to designated persons on requisite compliances.
- During the year, the Company had conducted awareness sessions with DPs, briefing them on the regulatory provisions pertaining to Insider Trading and Company’s Code of conduct on the same.
- E-learning module launched for Designated Persons on Insider trading compliances with self-assessment test followed by score at the end, and issuance of certificate of passing.
- Wallpaper images about window closure were displayed on the desktop of all DPs for a period of at least five days during window closure.
- Displayed window closure notices, messages on making SDD entry, safeguarding UPSI etc. on LED screen at head and corporate offices.

These initiatives help reduce the instances of violations under the said regulations. During the year under review, no instances of violation by a Designated Person, were observed by the Company.

Review of the Insider Trading compliances

A detailed report comprising details of trading plans submitted, if any, pre-clearances given by Compliance Officer, trades carried out and reported to the stock exchanges, trading window closure period, details of violations, if any observed, confirmation on maintenance of Structured Digital Database, etc. as recommended in guidance note issued by The Institute of Company Secretaries of India on the PIT Regulations is submitted to the Audit Committee and the Board of the Company for its review on a quarterly basis. Violations, if any, are reported to the Audit Committee.

Pursuant to PIT regulations the Audit Committee on an annual basis also reviews and confirms that the systems for internal control for Insider Trading are adequate and are operating effectively in compliance with the PIT Regulations.

Whistle Blower Policy/Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees, and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors or any Stakeholders associated with the Company are free to report illegal or unethical behaviour, actual or suspected fraud, or violation of the Company’s Code(s) of Conduct or Corporate Governance Policies or any improper activity, through the channels provided below.

The Whistle Blower Policy provides for protected disclosure and protection for the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. Apart from reaching out to any Senior leader, the Whistle-blower can make a Protected Disclosure by using any of the following channels for reporting:

1. Email ID: ethics.mmfsfsl@mahindrafinance.com
2. Independent third-party Ethics Helpline Service Toll free No: 000 800 100 4175
3. Chairperson of the Audit Committee

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsfsl-policies>.

During the year, the Company received 9 (Nine) whistle blower complaints. All the cases were investigated and appropriate actions were taken, wherever necessary basis investigation reports. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review. During the year, no person was denied access to the Chairperson of the Audit Committee/Audit Committee.

Non-compliances, Penalties and Strictures

No penalties/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority on any matter relating to capital markets, during the last three years except stated below.

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 had submitted a waiver application, which has been favourably considered by BSE, resulting in a waiver of the entire fine amount.

Please refer to Company’s website at <https://www.mahindrafinance.com/investor-relations/regulatoryfilings> to access the disclosures made to the Stock Exchanges under Regulation 30 for penalties levied by RBI, as also disclosed in note no. 53 (VIII) (b) of the Standalone financial statements. Details of penalties levied by other regulators/authorities can be accessed on the websites of the stock exchanges in the integrated corporate governance reports.

Mandatory annual training modules to enhance awareness and sensitization amongst employees during FY2026

As per annual practice, the Company had rolled out annual training modules on various topics including on several important areas such as Prevention of Sexual Harassment, Prevention of Insider Trading, Anti Money Laundering - Know Your Customer (“AML-KYC”), Anti-Bribery Anti-Corruption, Business Responsibility and Sustainability Reporting, Code of Conduct of Company, Fair Practice Code, Operational Risk Management, Cyber security relating to IT and non-IT matters, Business Continuity Planning to enhance awareness and sensitization amongst the employees during the year under review.

Introduction of one stop platform to access the Company’s employee-centric guidelines and policies

The Company has a one stop platform for employees to access the Company’s employee-centric guidelines and policies which includes a section consisting of the old version of policies for reference.

MEANS OF COMMUNICATION

The Company, from time to time and as may be required, interacts with its shareholders, debenture holders and fixed deposit holders through multiple channels of communication such as announcement of financial results, postal ballot results, annual report, media releases, dissemination of information on the website of the Company and Stock Exchanges, newspaper notices, reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures, unclaimed Fixed Deposits and/or interest due thereon and subject specific communications. The details of unpaid/unclaimed Dividend/Fixed Deposits and interest thereon are also uploaded on the website at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#dividend-history>

Other subject specific communication sent to the Shareholders/Debenture holders during the year:

- Mandatory KYC: The Company has sent requisite correspondence/reminders to the shareholders and debenture holders holding securities in physical form, to provide the KYC documents/details as required under SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May 2024, and HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026.
- Registration of email addresses for the purpose of receiving Annual Report and e-voting at the AGM: The Company made special arrangements with the assistance of its Registrar & Transfer Agent during AGM of 2025 for registration of e-mail addresses of those Members whose email ids were not registered to enable them to receive the Notice of AGM along with the Annual Report including e-voting credentials electronically.
- The Company publishes its quarterly, half-yearly and annual results in Business Standard (all India editions) and Sakal/Navshakti (Mumbai edition) which are national and local dailies, respectively. These are not sent individually to the Shareholders.
- The Annual Report of the Company, the quarterly, half-yearly and the annual financial results and official news releases are displayed on the Company’s website at [Mahindra Finance - Investor Zone](#)
- The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part ‘A’ and Part ‘B’ of Schedule III of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. The Company also files various compliances and other disclosures required to be filed electronically on the online portal of BSE Limited and National Stock Exchange of India Limited respectively.
- The Company conducts annual and quarterly Earnings Call to engage with investors and analysts. Presentation to Investors and other disclosures which are required to be disseminated on the Company’s website under the Listing Regulation have been uploaded on the website of the Company <https://www.mahindrafinance.com/investor-relations/financial-information#schedule-of-analysts-investor-meets> and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures.

- The Company has designated company.secretary@mahindrafinance.com as an e-mail ID for the purpose of registering complaints/queries/requests by investors and displayed the same on the Company's website. The Company has also designated fixeddeposit@mahindrafinance.com as an exclusive email ID for Fixed Deposit Investors for the purpose of registering queries/complaints/requests in respect of Fixed Deposits of the Company and the same has also been displayed on the Company's website.
- For Fixed Deposits, the Company has an online grievance registration mechanism on its website at <https://www.mahindrafinance.com/customer-service/write-to-us#support>. Timely email and SMS communications are sent to depositors, encouraging them to avail the nomination facility
- The Company's website is a comprehensive reference on the organisation's management, vision, mission, policies, Corporate Governance, corporate social responsibility, sustainability, investors, corporate benefits, products and services, updates and news.
- The Investor Zone section of the Company's website provides various downloadable forms such as Nomination Form, Form for updation/

registration of KYC, Declaration for opting out of nomination and Deletion of Name, etc., required to be executed by the shareholders have also been provided on the website of the Company. The said forms can be accessed on the Company's website at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#letters-to-shareholders>

- Members can also provide their feedback on the services provided by the Company and its Registrar & Transfer Agents by filling the 'Shareholders Satisfaction Survey' form available on the website of the Company at <https://www.mahindrafinance.com/investor-relations/shareholder-satisfaction-survey>.
- **KPRISM - Web-based application by KFin:**
Members are requested to note that KFin has a web-application - KPRISM (website: <https://kprism.kfintech.com>) providing online service to Members. Members can register themselves for availing host of services viz., view of consolidated portfolio serviced by KFin, dividend status, requests for change of address, change/update bank mandate. Through the application, Members can download annual reports, standard forms and keep track of upcoming General Meetings and dividend disbursements.

GENERAL BODY MEETINGS

Details of last three Annual General Meetings and Special Resolutions passed:

For the Financial Year	Date of AGM (held through VC/OAVM) *	Time (IST)	Special Resolutions passed
2022-23	28 th July 2023	3.30 p.m.	1. Appointment of Mr. Raul Rebello as Whole-time Director designated as "Executive Director and MD & CEO - Designate" from 1st May 2023 to 29th April 2024 and as the Managing Director of the Company designated as "Managing Director & CEO" from 30th April 2024 to 30th April 2028. 2. Re-appointment of Mr. Milind Sarwate as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from 1st April 2024 to 31st March 2029 (both days inclusive). 3. Approval for introduction and implementation of 'Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023'. 4. Approval for provision of money by the Company to Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust under the 'Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023' ("MMFSL RSU Plan 2023") to fund the subscription of equity shares in terms of MMFSL RSU Plan 2023. 5. Alteration to the Memorandum of Association of the Company. 6. Increase in the borrowing limits of the Company to ₹ 1,10,000 crore under section 180(1)(c) of the Companies Act, 2013. 7. Increase in limits for creation of security in connection with borrowing(s).

Details of last three Annual General Meetings (Contd.)

For the Financial Year	Date of AGM (held through VC/OAVM) *	Time (IST)	Special Resolutions passed
2023-24	23 rd July 2024	3.30 p.m.	1. Appointment of Mr. Vijay Kumar Sharma as an Independent Director of the Company for a 1st term of 5 consecutive years with effect 15th May 2024. 2. Increase in the borrowing limits of the Company to ₹ 1,30,000 crore under section 180(1)(c) of the Companies Act, 2013.
2024-25	22 nd July 2025	3.30 p.m.	1. Increase in the borrowing limits of the Company to ₹ 1,50,000 crore under section 180(1)(c) of the Companies Act, 2013. 2. Re-appointment of Dr. Rebecca Nugent as an Independent Director of the Company from 5th March 2026 to 4th March 2031

All the Resolutions moved at the last three AGMs were passed by the requisite majority.

*Deemed Venue- Gateway Building, Apollo Bunder, Mumbai - 400 001

Details of Extraordinary General Meetings held during the Financial Year

No Extraordinary General Meeting was held during the Financial Year under review.

POSTAL BALLOT

During FY2026, the Members had passed the following resolutions through Postal Ballot with requisite majority on 7th February 2026

Sr. No.	Description	Ordinary/ Special Resolution	Voting Result	
			In favour/against of the resolution	Poll %
1	Appointment of Ms. Padmaja Chunduru (DIN: 08058663) as an Independent Director of the Company for a first term of five consecutive years commencing from 10 th November 2025 to 9 th November 2030 (both days inclusive), not liable to retire by rotation	Special	Votes in favour	99.96
			Votes against	0.04
			Total	100.00
2	Appointment of Mr. Parag Rao (DIN: 02436612) as a Non-Executive (Non-Independent) Director of the Company with effect from 10 th December 2025, liable to retire by rotation.	Ordinary	Votes in favour	99.93
			Votes against	0.07
			Total	100.00
3	Introduction and implementation of 'Mahindra & Mahindra Financial Services Limited - Subsidiary Companies Restricted Stock Units Plan 2026.	Special	Votes in favour	93.30
			Votes against	6.70
			Total	100.00
4	Provision of money by the Company to Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust to fund the subscription of equity shares in terms of Mahindra & Mahindra Financial Services Limited- Subsidiaries Restricted Stock Units Plan 2026.	Special	Votes in favour	93.62
			Votes against	6.38
			Total	100.00

Scrutinizer details

Mr. Keyur H Mirani (Membership No.: ACS 26354/COP No.: 24035) or failing him, Ms. Akanksha Mota (Membership No.: ACS 24626/COP No.: 15096), Practicing Company Secretaries were appointed as the Scrutinizer ("Scrutinizer"), to scrutinize the Postal Ballot and votes cast through Remote E-voting process in a fair and transparent manner.

Procedure adopted for Postal Ballot:

- Postal Ballot Notice dated 7th January 2026 was sent to the Members whose name(s) appeared in the Register of Members/List of Beneficial Owners as on cut-off date i.e., Friday, 2nd January 2026.
- The newspaper advertisement to this effect were published, both in The Free Press Journal (in English), all editions and Sakal newspaper (Marathi) having circulation in Mumbai edition on 8th January 2026 in accordance with the provisions of the Act and Secretarial Standard -2 on General Meetings.
- The remote e-voting facility was provided by KFin, with the voting period from 9:00 a.m. on 9th January 2026 to 5:00 p.m. on 7th February 2026. The Scrutinizer submitted his report to the Chairman on 9th February 2026. The results were submitted to the Stock Exchanges, uploaded on the Company's and KFin's websites, and displayed at the Registered and Corporate Offices. The postal ballot process was conducted in compliance with the Companies Act, 2013 and SEBI Listing Regulations.

As at the date of this report, there are no resolutions proposed to be passed through postal ballot.

Management Discussion and Analysis

The Annual Report has a detailed section on Management Discussion and Analysis.

COMPLIANCE

The Company has complied with the requirements of Corporate Governance Report as specified in regulations 16 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable during the year ended 31st March 2026.

The details on Company's website under Regulation 46 of Listing Regulations are mentioned hereunder:

Details on Company's Website	Compliance status	Weblink on Company's Website
Details of business	Yes	https://www.mahindrafinance.com/about-us
Memorandum of Association and Articles of Association	Yes	https://www.mahindrafinance.com/wp-content/uploads/2024/12/Certified-MOA-AOA.pdf
Brief profile of board of directors including directorship and full-time positions in body corporates	Yes	https://www.mahindrafinance.com/about-us/management
Terms and conditions of appointment of independent directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Composition of various committees of board of directors	Yes	https://www.mahindrafinance.com/about-us/management
Code of conduct of board of directors and senior management personnel	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Criteria of making payments to non-executive directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Policy on dealing with related party transactions	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Policy for determining 'material' subsidiaries	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Details of familiarization programmes imparted to independent directors	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program
Email address for grievance redressal and other relevant details	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#contact-information
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#contact-information

The details on Company's website under Regulation 46 of Listing Regulations are (Contd.)

Details on Company's Website	Compliance status	Weblink on Company's Website
Financial results	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#financial-results
Shareholding pattern	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#quarterly-filings
Details of agreements entered with the media companies and/or their associates	NA	NA
(I) Schedule of analyst or institutional investor meet (II) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls prior to beginning of such events.	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#schedule-of-analysts-investor-meets
Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#schedule-of-analysts-investor-meets
New name and the old name of the listed entity	NA	NA
Advertisements as per regulation 47 (1)	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#newspaper-publications
Credit rating or revision in credit rating obtained	Yes	https://www.mahindrafinance.com/investor-relations/debt-information#credit-ratings
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports
Secretarial Compliance Report	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#secretarial-compliance-report
Materiality Policy as per Regulation 30 (4)	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Disclosure of contact details of KMP who are authorized for the purpose of determining materiality as required under regulation 30(5)	Yes	https://media.mahindrafinance.com/2026/02/Regulation305.pdf
Disclosures under regulation 30(8)	Yes	https://www.mahindrafinance.com/investor-relations/regulatory-filings#announcements-reg-30-other-filings
Statements of deviation(s) or variations(s) as specified in regulation 32	NA	NA
Dividend Distribution policy as per Regulation 43A(1)	Yes	https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies
Annual return as provided under section 92 of the Companies Act, 2013	Yes	https://www.mahindrafinance.com/investor-relations/financial-information#annual-reports
Employee Benefit scheme documents framed in terms of SEBI (SBEB) Regulations, 2021	Yes	https://www.mahindrafinance.com/investor-relations/disclosures-under-regulation-46-and-62-of-sebi-lodr
Confirmation that the above disclosures are in a separate section as specified in regulation 46(2)	Yes	https://www.mahindrafinance.com/investor-relations/disclosures-under-regulation-46-and-62-of-sebi-lodr
Compliance with regulation 46(3) with respect to accuracy of disclosures on the website and timely updating	Yes	https://www.mahindrafinance.com/investor-relations/disclosures-under-regulation-46-and-62-of-sebi-lodr

Compliance with discretionary requirements

The Company has also complied with the following discretionary requirements as specified under Regulation 27(1) read with Part E of Schedule II of the Listing Regulations:

Unmodified Audit Opinion

There was no audit qualification in Company's standalone or consolidated financial statements for FY2026. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

Separate Posts of Chairman and Managing Director

As on the date of this report, the Chairman of the Board is a Non-Executive Non-Independent Director, and his position is separate from that of the Managing Director. They are not related to each other. The Chairman does not maintain any office at the Company's Expense and during FY2026 was not provided with any re-imbursement of expenses incurred in performance of his duties

Reporting of Internal Auditor

The Head of Internal Audit reports directly to the Audit Committee of the Board.

OTHER DISCLOSURES

Disclosure in relation to recommendations made by the Committees of the Board

During the year under review, all the recommendations made by all the Committees of the Board, were accepted by the Board.

Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

Rights Issue of Equity Shares

During the year under review the Company has raised funds through allotment of 15,44,41,240 fully paid-up equity shares of face value ₹ 2 each at an issue price of ₹ 194 per equity share (including a premium of ₹ 192 per equity share) under the Rights Issue of the Company on June 9, 2025. The proceeds from the said Rights Issue had been fully utilized for the objects as stated in the Letter of Offer dated 8th May 2025. There had been no deviation or variation in the utilization of funds.

Fees paid to the Statutory Auditors and all entities in the network firm/entities

The details of fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to Statutory Auditors of the Company, and all entities in the network firm/network entity of which the Statutory Auditors are a part, are given below:

₹ in crore (inclusive of GST)			
Particulars	M/s. M M Nissim & Co LLP	M/s. M P Chitale & Co.	Total fees for FY2026
Statutory Audit	0.91	0.91	1.82
Other permissible Services	0.18	0.18	0.36
Reimbursement of expenses	0.06	0.07	0.13
Total	1.15	1.16	2.31

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

The Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder.

All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company has zero tolerance towards sexual harassment.

New joiners are mandatorily required to undertake e-learning modules on the Code of Conduct on POSH. In addition to this, an Annual Compliance Declaration Module on COC is mandated for all the employees.

The POSH Policy is available on the website of the Company and can be accessed at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee ("ICC") under the POSH Act to redress complaints received regarding sexual harassment.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company creates awareness by imparting necessary trainings

During FY2026, the Company had received Four complaints of sexual harassment, all of which were duly disposed of within the stipulated timelines. No complaints remained pending for more than 90 days, being the prescribed period for completion of inquiry under the POSH Act. Further, no cases were pending as on 31st March 2026.

Awareness and training on POSH

Continuous awareness in this area has been created vide the POSH campaign reiterating Mahindra's commitment to providing a safe workplace to all its employees. During the year, the Company organised sensitization and awareness programs vide inductions for new joiners, e-learning modules for all employees, trainees, associates including sending emailers, creating standees and posters to sensitize all employees to conduct themselves in a professional manner.

Number of workshops/awareness programme on the subject carried out during the year under review were as under:

- An online e-learning module for employees on Prevention of Sexual Harassment covering the topics on Sexual Harassment, process of filing complaints, dealing with sexual harassment, etc. is developed for training. 99.5% of the employees have completed this training
- One Training program on POSH sensitization was conducted for the HR team.

GENERAL SHAREHOLDERS INFORMATION

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the MCA is L65921MH1991PLC059642.

36 th ANNUAL GENERAL MEETING		
Day and Date	:	Tuesday, 21 st July 2026
Time	:	3:30 p.m. (IST)
Mode of AGM	:	Through Audio Video Conference
Deemed Venue of the Meeting	:	Gateway Building, Apollo Bunder, Mumbai - 400 001
Link to participate through videoconferencing	:	https://emeetings.kfintech.com
Remote e-voting starts	:	Thursday, 16 th July 2026 (9:00 a.m. IST)
Remote E-voting ends	:	Monday, 20 th July 2026 (5:00 p.m. IST)
E-voting at AGM	:	Tuesday, 21 st July 2026

Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

Board Meetings schedule for Financial Reporting

- Quarter ending 30th June, 2026 - End of July 2026
- Half-year ending 30th September, 2026 - End of October 2026
- Quarter ending 31st December, 2026 - End of January 2027
- Year ending 31st March, 2027 - End of April 2027

Note: The above dates are indicative.

Record Date

Record date for payment of Dividend is Monday, 13th July 2026.

Dividend Payment

A dividend of ₹ 7.50 per Equity Share (i.e. 375 %) on the face value of ₹ 2 each, would be paid after Tuesday, 21st July 2026, subject to approval by Shareholders at the ensuing AGM.

Registered Office

Gateway Building, Apollo Bunder, Mumbai - 400 001.

Listing Details

A. Equity Shares

The Company's Shares are listed on:

Name	BSE Limited (BSE)	The National Stock Exchange of India Limited (NSE)
Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Stock Exchange Codes	532720	M&MFIN

The requisite listing fees for FY2025 and FY2026 have been paid in full to both the Stock Exchanges.

Demat ISIN in NSDL and CDSL for Equity Shares : INE774D01024

B. Non-Convertible Debentures and Commercial Papers

The Non-Convertible Debentures ("NCDs") of the Company comprise secured, unsecured, and subordinated NCDs issued through private placement and public issuances. The NCDs are listed on the Debt Market Segment of BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Commercial Papers are listed on the Debt Market Segment of NSE, Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

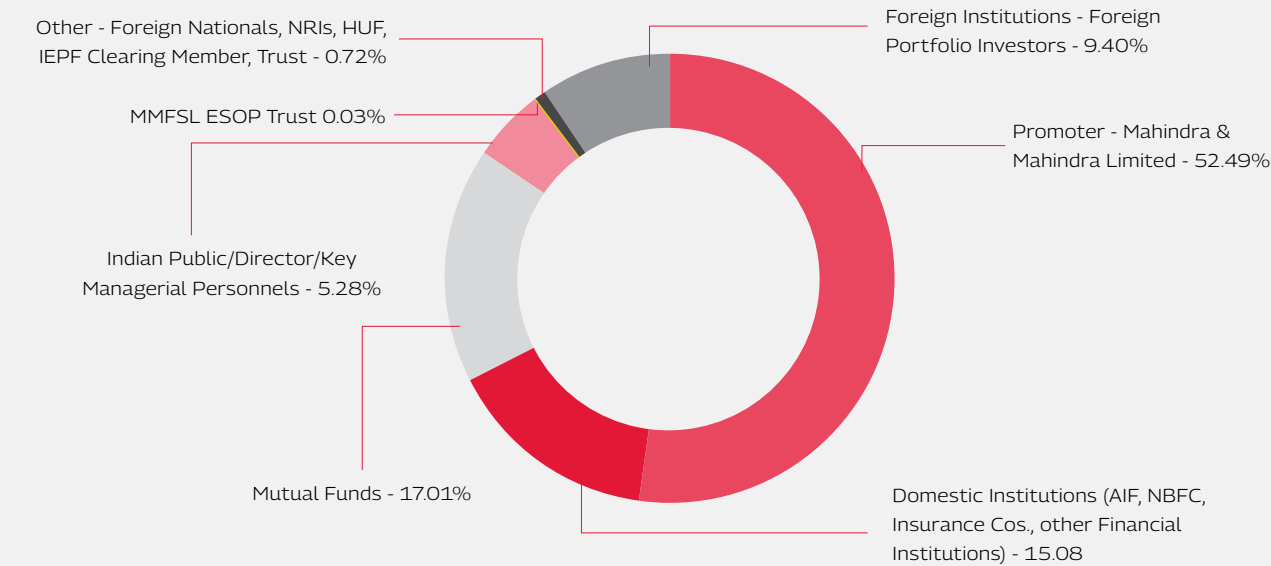
Debenture Trustee

Pursuant to Regulation 53 of the Listing Regulations, the name and contact details of the Debenture Trustee for the privately placed NCDs and public NCDs are given in the table at the end of this report

These details are also available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/debt-information#debenture-trustee>

Equity Shareholding pattern as on 31st March 2026

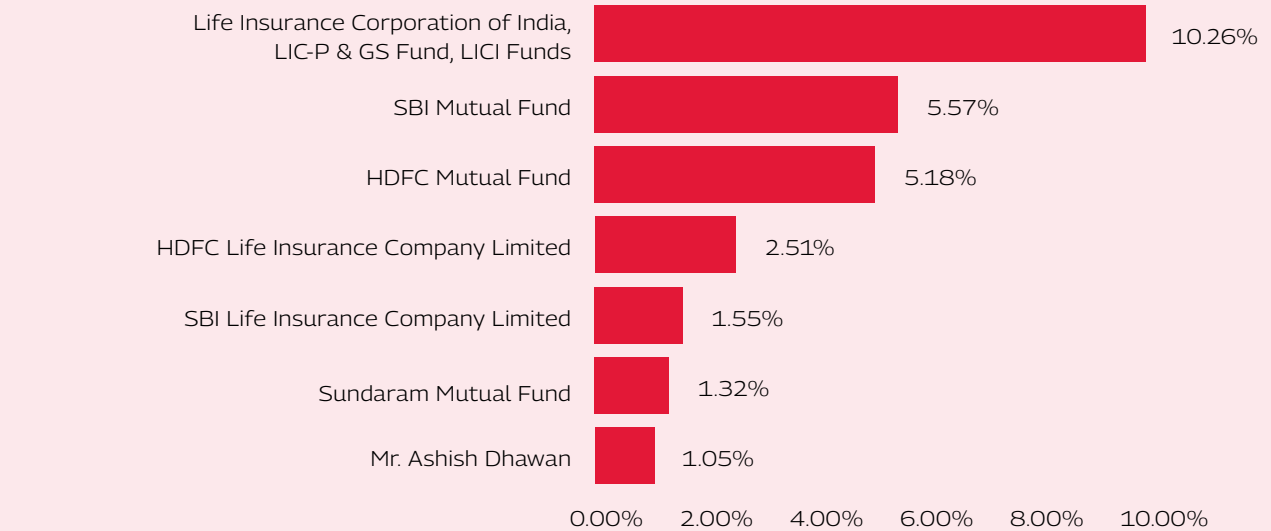
Category wise shareholding pattern as on 31st March 2026



Distribution of Shareholding as on 31st March 2026

No. of Shares held	Number of Shareholders	Total No. of Shares held	% of Shareholding
1 - 500	2,15,386	1,55,66,194	1.12
501 - 1000	11,679	82,54,716	0.59
1001 - 5000	7,640	1,48,93,260	1.07
5001 - 10000	707	49,64,919	0.36
10001 - 20000	328	45,24,026	0.33
20001 and above	512	1,34,17,68,045	96.53
TOTAL	2,36,252	1,38,99,71,160	100.00

Shareholding more than 1% (Other than Promoter)



Pledge of Equity Shares

No pledge has been created over the equity shares held by the Promoter of the Company as on 31st March 2026. Pursuant to Regulation 31(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, M&M, Promoter of the Company has submitted a declaration to the Audit Committee of the Company that they have not made any encumbrance, directly or indirectly, during FY2026 in respect of the shares held by them in the Company. The said declaration was noted by the Audit Committee.

Disclosure of certain types of agreements binding the Company as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations

The Company has not received any information on any agreement(s) subsisting as on 15th July 2023 or entered into after 15th July 2023 till 31st March 2026 by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, directly or indirectly or potentially impacting the management or controlling the Company or imposing any restriction or creating any liability upon the Company.

Dematerialisation of Shares and Liquidity

As on 31st March 2026, 99.99 percent of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are frequently traded on BSE and NSE.

Year	As on 31 st March 2026			As on 31 st March 2025		
	No. of Shareholders (without PAN grouping)	No. of shares held	%	No. of Shareholders (without PAN grouping)	No. of shares held	%
Dematerialised	2,41,189	1,38,98,75,200	99.99	2,21,604	1,23,54,33,955	99.99
Physical	14	95,960	0.01	15	95,965	0.01
Total	2,41,203	1,38,99,71,160*	100.00	2,21,619	1,23,55,29,920	100

* During the year under review the Company has allotted 15,44,41,240 fully paid-up equity shares of face value ₹ 2 each at an issue price of Rs194 per equity share (including a premium of ₹ 192 per equity share) under the Rights Issue on June 9, 2025; pursuant to the said allotment, the total number of equity shares of the Company stands increased to 138,99,71,160 equity shares, and consequently, the paid-up equity share capital of the Company stands increased to ₹ 277,99,42,320 (i.e., 1,38,99,71,160 equity shares of ₹ 2 each).

The Company had during the year taken initiatives to reduce the number of physical shareholders, by sending communications through post as well as contacting the shareholders in person, for conversion of their physical holding in dematerialized form.

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

In accordance with the provisions of Regulation 39 (4) read with Regulation 34 (3) and Part F of Schedule V of the Listing Regulations, the details in respect of the unclaimed Equity Shares emanating from the Company's IPO and lying in the suspense account are as under:

Particulars	Number of Shareholders	Number of Equity Shares in Demat Suspense Account
No. of outstanding shares as on 1 st April 2025	8	1475
Less: shareholders who approached the Company for transfer of shares from suspense account during the year and to whom shares were transferred	-	-
No. of outstanding shares in the suspense account lying as on 31 st March 2026	8	1475

The voting rights on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

Unclaimed Equity Shares in Rights Allotment Demat Suspense Account (pursuant to Rights issue made in the year 2020 & 2025)

The details of Unclaimed Equity Shares emanating from Company's Right Issues and lying in the Rights Allotment Demat Suspense Account of the Company is given below:

Particulars	Number of Shareholders	Number of Equity Shares in Rights Allotment Demat Suspense Account
No. of outstanding shares as on 1 st April 2025 (shares allotted pursuant to Rights Issue made in the year 2020)	5	157
Add: No. of shares credited to Rights Allotment Demat Suspense Account pursuant to Rights Issue made in the year 2025	5	294
Less: shareholders who approached the Company for transfer of shares from suspense account during the year and to whom shares were transferred	3	262
No. of shares outstanding as on 31 st March 2026	7	189

The voting rights on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

Unclaimed Dividend and Shares transferred to Investor Education and Protection Fund Authority ("IEPF")

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF").

The IEPF Rules mandate companies to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of IEPF. The Members whose dividend/shares are transferred to the IEPF can claim their shares/dividend from the IEPF Authority following the procedure prescribed in the Rules.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices/reminders to all the Shareholders whose shares were due for transfer to the IEPF Authority and simultaneously published newspaper advertisement and, thereafter, transferred the shares to the IEPF during FY2026.

Details of Dividend remitted to IEPF during the year:

Financial Year	Date of dividend declaration	Amount transferred to IEPF (₹)	Date of transfer to IEPF
2017-18	27 th July 2018	12,43,340	4 th September 2025

Note- In addition to the above, the dividend amount of ₹ 589,099.50 for FY2025 on shares held by IEPF was remitted to IEPF on 24th July 2025.

Details of Shares transferred/credited to IEPF

During FY2026, the Company transferred 5,921 Equity Shares to IEPF Authority. The IEPF Authority holds 1,07,629 Equity Shares in the Company as on 31st March 2026 .

Pursuant to IEPF Rules, the details of Equity Shares transferred to and released from IEPF Authority are given as follows:

Particulars	Number of shares transferred to IEPF
Total number of shares held by IEPF as on 31st March 2019	68,577
Transferred to IEPF during FY2020	1,480
Less: Claimed by the Shareholder(s) during FY2020	2,500
Total number of shares held by IEPF as on 31st March 2020	67,557
Transferred to IEPF during FY2021	1,212
Less: Claimed by the Shareholder(s) during FY2021	0
Total number of shares held by IEPF as on 31st March 2021	68,769
Transferred to IEPF during FY2022	8,613
Less: Claimed by the Shareholder(s) during FY2022	0
Total number of shares held by IEPF as on 31st March 2022	77,382
Transferred to IEPF during FY2023	13,578
Less: Claimed by the Shareholder(s) during FY2023	6,795
Total number of shares held by IEPF as on 31st March 2023	84,165
Transferred to IEPF during FY2024	4,579
Less: Claimed by the Shareholder(s) during FY2024	250
Total number of shares held by IEPF as on 31st March 2024	88,494
Transferred to IEPF during FY2025	16,864
Less: Claimed by the Shareholder(s) during FY2025	175
Total number of shares held by IEPF as on 31st March 2025	105,183
Transferred to IEPF during FY2026	5,921
Less: Claimed by the Shareholder(s) during FY2026	3,475
Total number of shares held by IEPF as on 31st March 2026	1,07,629

The voting rights on these shares shall remain frozen until the rightful owner claims the shares.

Endeavours during FY2026 for reduction in unclaimed amounts

Proactive steps were taken for payout of unclaimed dividend amounts to equity shareholders with updated bank details, thereby reducing amounts requiring transfer to the IEPF and enhancing shareholder service outcomes. During FY2026, dividend amount aggregating to ₹ 9.76 lakhs was paid to 2,812 eligible shareholders followed by dispatch of credit confirmation letters.

The Company has appointed the Company Secretary as the Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#nodal-officer>

Further, the Company has also appointed Deputy Nodal Officer to assist the Nodal Officer to inter-alia verify the claim(s) and co-ordinate with the IEPF Authority, the details of which are available on the website of the Company at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#nodal-officer>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March 2026 on the Company's website at the web-link: <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#details-of-unpaid-dividend>

Details of unclaimed dividend on equity shares to be transferred to IEPF

The following table provides dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF:

Year	Date of declaration of dividend	Proposed period for transfer of unclaimed dividend to IEPF	Amount of unclaimed dividend (₹) (As on 31 st March 2026)
2018-19	23 rd July, 2019	23 rd August 2026 to 21 st September 2026	10,75,412.00
2019-20	No Dividend was declared.		
2020-21	26 th July, 2021	26 th August 2028 to 23 rd September 2028	3,01,601.00
2021-22	28 th July 2022	28 th August 2029 to 26 th September 2029	6,34,073.40
2022-23	28 th July 2023	28 th August 2030 to 26 th September 2030	8,54,969.00
2023-24	23 rd July 2024	23 rd August 2031 to 21 st September 2031	15,42,847.50
2024-25	22 nd July 2025	22 nd August 2032 to 26 th September 2032	11,36,653.50

Members are requested to claim the unclaimed amounts on matured debentures and interest accrued on such debentures, to be transferred to IEPF

The Company had sent notices/reminders to the Debenture holders/applicants of Debentures whose principle amount towards debentures/interest accrued on debentures/application amount, are due for transfer to the IEPF Authority. Pursuant to amendment of the Finance Act, 2023 (new Finance Act 2026), TDS is applicable under Section 193 of the Income tax Act, 1961 w.e.f. 1st April 2023 (Section 393 of the new Income Tax Act, 2025 w.e.f. 1st April 2026) on Interest paid on Securities which are listed and in dematerialised form. Hence, Debenture holders are required to provide to the Company the relevant information and declarations, to determine TDS rates applicable to different categories of debenture holders. Debenture holders are requested to submit the necessary documents .

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date, and likely impact on equity

As on 31st March 2026, the Company did not have any outstanding GDRs/ADRs/Warrants. The Company has not issued any Convertible Instruments during the FY2026 and there are no outstanding convertible instruments as on 31st March 2026. Thus, no Director holds any convertible instruments of the Company.

Commodity Price Risk or Foreign Exchange Risk and Hedging activities

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. Accordingly, the disclosure pursuant to SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026 is not required to be furnished by the Company.

As per the Company's Derivative Risk Management Policy, your Company enters into derivative transactions to hedge its exposure to foreign exchange risk on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallised at a predetermined rate of exchange on the date of taking the derivative transaction. Your Company has hedged all its foreign currency borrowings for its full tenure and is in compliance with applicable RBI guidelines in this regard. Likewise, the Company also undertakes derivative transactions to hedge interest rate risk related to rupee loans.

Your Company follows the Accounting Policy and Disclosure Norms for derivative transactions as prescribed by the relevant Regulatory Authorities and Accounting Standards from time to time. The accounting policy and required details of foreign exchange exposures as on 31st March 2026 are disclosed in Note Number 49 to the Standalone Financial Statements in the Annual Report.

Credit Rating

The Credit Rating details of the Company as on 31st March 2026 are provided below:

Rating Agency	Type of Instrument	Rating	Remarks
CRISIL Ratings Limited	Fixed Deposit Programme	Crisil AAA/Stable	This rating is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
	Commercial Paper Programme and Short-Term Bank Facilities	Crisil A1+	This rating is considered to have very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.
	Long-term Debt instruments, Subordinate Debt Programme and Long-Term Bank Facilities	Crisil AAA/Stable	This rating is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
India Ratings & Research Private Limited	Commercial Paper Programme and Short-Term Bank Facilities	IND A1+	This rating is considered to have very strong degree of safety regarding timely payment of financial obligations. Such securities carry lowest credit risk.
	Long Term Debt instruments, Subordinated Debt Programme and Long-Term Bank Facilities	IND AAA/Stable	This rating is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
	PP-MLD	IND PP-MLD AAA/Stable	Signifies Principal Protected Market Linked Debentures. The rating of the market-linked debentures is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume.
	Fixed Deposits	IND AAA/Stable	This rating is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
CARE Ratings Limited	Long Term Debt instruments and Subordinate Debt Programme	CARE AAA; Stable	This rating is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.
Brickwork Ratings India Private Limited	Long Term Subordinated Debt Programme	BWR AAA/Stable	This rating is considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

There have been no revisions in the credit ratings during the year under review.

The details of Credit Rating are available on the website at <https://www.mahindrafinance.com/investor-relations/debt-information#credit-ratings>

Locations/Offices

The Company has vast reach through 1348 offices covering 27 states and 7 territories in India.

In view of the nature of business activities carried on by the Company, the Company operates from various offices in India and does not have any manufacturing plants.

List of branches with addresses is available on the Company’s website at the web-link: <https://mahindrafinance.com/branch-locator>

Share Transfer System

Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Pursuant to Regulation 40 of the Listing Regulations read with SEBI Master Circular for RTAs dated 6th February 2026, with respect to requests for effecting transmission and transposition of securities held in physical form, the Company shall verify and process the requests and thereafter issue securities to the claimant in dematerialised form, directly in the demat account of the claimant. Members holding shares in physical form are requested to get their shares dematerialised at the earliest.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account and get their shares dematerialised or alternatively, contact the nearest office of KFin to seek guidance about the dematerialisation procedure. The Members may also visit the website of the Depositories viz. (i) National Securities Depository Limited at the web-link: <https://nsdl.co.in/faqs/faq.php> or (ii) Central Depository Services (India) Limited at the web-link: <https://www.cdslindia.com/Investors/FAQs.html> for further understanding about the dematerialisation process.

The Stakeholders Relationship Committee meets as and when required to inter-alia, consider other requests for transmission of shares/debentures, and attend to grievances of the security holders of the Company, etc.

Secretarial Audit Report and Reconciliation of Share Capital Audit

As a voluntary good governance practice, M/s Makarand M. Joshi & Co (“MMJC”), Company Secretaries, had conducted Secretarial Audit on the compliances by the Company, on a quarterly basis and the report has been placed before the Board every quarter.

Further, M/s Makarand M. Joshi & Co (“MMJC”), Company Secretaries, have provided the Secretarial Audit Report of the Company for FY2026. The Audit Report confirms that your Company has complied with the applicable provisions of the Act and the Rules made there under, the Listing Regulations, applicable RBI Regulations, Listing Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board’s Report.

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

Pursuant to Regulation 40(9) of the Listing Regulations certificate is being issued on annual basis, by a qualified Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

A qualified Practicing Company Secretary carries out a quarterly reconciliation of Share Capital Audit; to reconcile the total admitted Equity Share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed Equity Share capital. The quarterly audit for FY2026 confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL.

Annual Secretarial Compliance Report

Pursuant to SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026 as amended, read with regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report for FY2026 issued by M/s Makarand M. Joshi & Co (“MMJC”), Company Secretaries, confirming compliance with all applicable SEBI Regulations and Circulars/Guidelines issued thereunder has been filed with the Stock Exchanges.

Further, as required by the aforesaid Circular, the Secretarial Auditor has additionally confirmed that Company is compliant with the following statutory provisions for FY2026 as applicable:

1. Compliance with the Secretarial Standards
2. Adoption and timely updation of Policies
3. Maintenance and disclosures on Website
4. None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013
5. Examination of details related to Subsidiaries of listed entities
6. Preservation of Documents
7. Performance Evaluation
8. Related Party Transactions
9. Disclosure of events or information
10. Compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015
11. No Action taken by SEBI or Stock Exchange(s)
12. Resignation of Statutory Auditors from the Company or its material subsidiaries, if any
13. No Additional Non- Compliance

Address for Correspondence
Equity Shares

Physical Shareholders may correspond with the Registrar and Transfer Agents on all matters relating to transmission, dematerialisation of shares, payment of dividend, change of address, change in bank details and any other query relating to the Equity Shares of the Company.

Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised mode.

Non-Convertible Debentures

KFin Technologies Limited also acts as Registrar to an issue and share Transfer Agent for the Non-Convertible Debentures of the Company. Complaints or queries/requests relating to Public Issuances of Debentures as well as the Company's Privately Placed Debentures can be forwarded to KFin.

Debenture holders would have to correspond with the respective Depository Participants for Debentures held in dematerialised mode.

Security holders Survey

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Shareholder Satisfaction Survey form available in the Investor Relations Tab on the website of the Company at the web link: <https://www.mahindrafinance.com/investor-relations/shareholder-satisfaction-survey>

Investor Grievance Redressal Framework

The Company from a good governance perspective has updated its Investor Grievance Redressal Framework. The policy has an escalation matrix along with contact details of concerned team members through which the investor(s) will be able to contact the concerned person from the Company/RTA directly for any query or grievance pertaining to equity shares/debentures if the same is not resolved within specified timelines. Investor(s) can access the policy available on the website of the Company at <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfslpolicies>

Contact details

Company's Address for Correspondence Mahindra Towers, 'A Wing', 3 rd Floor, P. K. Kurne Chowk, Worli, Mumbai - 400 018. Tel.: +91 22 6652 6000 Email Id: company.secretary@mahindrafinance.com Ms. Brijbala Batwal, Company Secretary Amiti Building, Piramal Agastya Corporate Park, L.B.S. Main Road, Kamani Junction, Kurla (West), Mumbai - 400 070.	Kfin Technologies Limited (Registrar and Transfer Agents) - Equity Shares/Debentures Unit: Mahindra & Mahindra Financial Services Ltd. Selenium Building, Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Serilingampally Hyderabad - 500 032, Telangana, India. Tel.: +91 40 7961 5565/ 6716 2222/1800 309 4001 Fax: +91 40 2300 1153 Email: einward.ris@kfintech.com Website: www.kfintech.com Registered Office: 301, The Centrium, 3 rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai - 400 070, Maharashtra Tel.: + 022 4617 0911
Queries/complaints/requests in respect of Fixed Deposits Mahindra & Mahindra Financial Services Limited, 37 & 38 4 th Floor ASV Ramana Towers, Venkat Narayana Road, T Nagar, Chennai-600 017, Tamil Nadu. Contact: Chennai: +91 44 4227 6006 Mumbai: +91 22 6652 3500/1800 266 9266 Email Id: fixeddeposit@mahindrafinance.com	Debenture Trustee Axis Trustee Services Limited Corporate Office: The Ruby, 2 nd Floor, SW, 29 Senapati Bapat Marg, Dadar (West), Mumbai - 400 028. Phone: 022 - 6230 0451 Fax: 022 - 6230 0700 Email : debenturetrustee@axistrustee.in

Date: 24th April 2026

Declaration by the Managing Director under Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Mahindra & Mahindra Financial Services Limited

I, Raul Rebello, Managing Director & CEO of Mahindra & Mahindra Financial Services Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2026.

For **Mahindra & Mahindra Financial Services Limited**

Place: Mumbai
Date: 24th April 2026

Raul Rebello
Managing Director & CEO
DIN: 10052487

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Mahindra & Mahindra Financial Services Limited,
Gateway Building, Apollo Bunder,
Mumbai, Maharashtra, India, 400001

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Mahindra & Mahindra Financial Services Limited** having **CIN L65921MH1991PLC059642** and having registered office at Gateway Building, Apollo Bunder, Mumbai, 400001, Maharashtra, India, (hereinafter referred to as **‘the Company’**) for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on March 31, 2026.

Sr. No.	Name of the Directors	DIN	Date of appointment in Company (dd/mm/yyyy)
1.	Mr. Anish Dilip Shah	02719429	18/03/2016
2.	Mr. Milind Shripad Sarwate	00109854	01/04/2019
3.	Ms. Rebecca Ann Nugent	09033085	05/03/2021
4.	Mr. Diwakar Gupta	01274552	01/01/2023
5.	Mr. Ashwani Ghai	09733798	23/06/2023
6.	Mr. Amarjyoti Barua	09202472	28/07/2023
7.	Mr. Raul Ignatius Rebello	10052487	01/05/2023
8.	Mr. Vijay Kumar Sharma	02449088	15/05/2024
9.	Ms. Padmaja Chunduru	08058663	10/11/2025
10.	Mr. Parag Arigela Rao	02436612	10/12/2025

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

Notes:

- Ms. Padmaja Chunduru was appointed as an Independent Director of the Company for a first term of 5 consecutive years w.e.f.10th November 2025.
- Mr. Parag Arigela Rao was appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, w.e.f. 10th December 2025.
- Ms. Rebecca Ann Nugent was re-appointed as an Independent Director of the Company for a second term of 5 consecutive years w.e.f. 5th March 2026.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Saurabh Agarwal
Partner
FCS No: 9290
CP No. 20907
UDIN: F009290H000197423

Date: 24-04-2026
Place: Mumbai

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Mahindra & Mahindra Financial Services Limited,
Gateway Building, Apollo Bunder,
Mumbai, Maharashtra, India, 400001

We have examined the compliance of conditions of Corporate Governance by **Mahindra & Mahindra Financial Services Limited (“the Company”)** for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS No: 5533
CP No. 3662
UDIN: F005533H000190841

Date: 24-04-2026
Place: Mumbai



Business Responsibility & Sustainability Report

Section A: GENERAL DISCLOSURES

I Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65921MH1991PLC059642	
2	Name of the Listed Entity	Mahindra & Mahindra Financial Services Limited (MMFSL)	
3	Year of incorporation	1991	
4	Registered office address	Gateway Building, Apollo Bunder, Mumbai 400-001 India	
5	Corporate address	Mahindra Towers, 3 rd Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400-018 India	
6	E-mail	sustainability@mahindrafinance.com (for matters related to BRSR)	
7	Telephone	+91 22 66526000/+9122 66523500	
8	Website	www.mahindrafinance.com	
9	Financial year for which reporting is being done	FY2026	
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited	
11	Paid-up Capital	277.91 INR Cr.	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Particulars	Details
		Name	Mr. Anupreet Anand
		Designation	Head of Sustainability
		In case of any BRSR query	sustainability@mahindrafinance.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Report disclosures made on a standalone basis i.e. 1348 office of MMFSL across India	
14	Name of assessment or assurance provider	SGS India Private Limited	
15	Type of assessment or assurance obtained	• Non-Core Indicators - Limited Assurance • Core Indicators - Reasonable Assurance*	

Note (*): In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2025, the requirement for assurance was replaced with “assessment or assurance of the specified parameter”. For the BRSR FY2026 report, Mahindra Finance has continued with the original SEBI obligation of Reasonable Assurance for core indicators and a Limited Assurance for non-core indicators, going beyond the regulatory mandate.

II Products/Services

16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and insurance Service	Financial and Credit leasing activities	91.24%
2	Financial and insurance Service	Other financial activities	8.76%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Financial Service	64920	91.24%

III Operations

18 a. No. of locations where plants and/or operations/offices of the entity are situated:

Location	No. of plants	No. of offices
National	NA	1,348 locations as on 31 st March 2026
International	NA	The Company operates through its Joint Venture (JV) Company Mahindra Finance USA LLC, in United States and through its subsidiary company Mahindra Ideal Finance Limited, in Sri Lanka. Note: The above companies are not within the purview of this BRSR.

19 Markets served by the entity

a No. of Locations

Location	Number
National (No. of States)	27
Union Territories	7
International (No. of Countries)	NA

Note: MMFSL has two facilities in Sri Lanka and USA but the same are not within the boundary conditions defined for BRSR

b What is the contribution of exports as a percentage of the total turnover of the entity? There were no exports during FY2026; hence the contribution of exports to total turnover is zero.

C A brief on types of customers Mahindra Finance serves a broad and diverse customer base, primarily located across rural and semi-urban India. The Company offers a comprehensive range of financing and investment solutions designed to meet the specific needs of individuals, entrepreneurs, and businesses in these regions.

IV Employees

20 Details as at the end of Financial Year:

a Employees and workers (Excluding differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
	Permanent (D)	22,637	21,301	94.10%	1,336	5.90%
	Other than Permanent (E)	4,480	4,044	90.27%	436	9.73%
	Total employees (D + E)	27,117	25,345	93.47%	1,772	6.54%
Workers						
	Permanent (F)					
	Other than Permanent (G)			NA		
	Total workers (F + G)					

b Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently-abled Employees						
	Permanent (D)	33	29	87.88%	4	12.12%
	Other than Permanent (E)	0	0	-	0	-
	Total employees (D + E)	33	29	87.88%	4	12.12%
Differently-abled Workers						
	Permanent (F)					
	Other than Permanent (F)			NA		
	Total employees (F + G)					

Note: As a service-sector entity, Mahindra Finance does not hire any “workers” as defined under the BRSR framework.

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20.00%
Key Management Personnel	3	1	33.33%

Note: Managing Director & CEO has been included in both the “Board of Directors” and Key Management Person (KMP) categorisation in table above.

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY (2025-26) (Turnover rate in current FY)			FY (2024-25) (Turnover rate in previous FY)			FY (2023-24) (Turnover rate in the year prior previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25.50%	26.28%	25.55%	31.92%	26.21%	30.97%	26.78%	19.62%	26.45%
Permanent Workers	NA								

V Holding, Subsidiary and Associate Companies (including joint ventures)

23 Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Mahindra & Mahindra Limited (M&M)	Holding	52.49	Yes*
2	Mahindra Insurance Brokers Limited (MIBL)	Subsidiary	100	No
3	Mahindra Rural Housing Finance Limited (MRHFL)	Subsidiary	98.43	No
4	Mahindra Manulife Investment Management Private Limited (MMIPL)	Subsidiary	51	No
5	Mahindra Manulife Trustee Private Limited (MMTPL)	Subsidiary	51	No
6	Mahindra Finance CSR Foundation	Subsidiary	100	No
7	Mahindra Ideal Finance Limited (Sri Lanka)	Subsidiary	58.20	No
8	Mahindra Finance USA LLC	Joint Venture	49	No

Note:

(*) Mahindra & Mahindra Limited has established policies and procedures across Business Responsibility initiatives that apply to its group companies. Mahindra finance has developed policies and procedures covering the 9 principles of NGRBC including (eg. Human Rights, Corporate governance and Sustainability) in alignment with Mahindra & Mahindra limited established framework.

VI CSR Details

24		
a	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
b	Turnover (in ₹)	18,445.59 INR Cr.
c	Net worth (in ₹)	24,758.70 INR Cr.

VII Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No/NA) (If yes, then provide web-link for grievance redress policy)	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	3	0	-	0	0	-
Shareholders	Yes	3	0		1	0	-
Employees & Workers	Yes	0	0	-	1	0	-
Customers	Yes	52,574	911	-	43,174	3,555	-
Value Chain Partners	Yes	0	0	-	0	0	-
Others [Please specify]	-	-	-	-	-	-	-

All relevant policies can be accessed via below links:

<https://www.mahindrafinance.com/about-us/policies>

<https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#mmfsl-policies>

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions and Climate Change	Risk & Opportunity	Risks - Climate Change poses significant operational, reputational and financial risks especially for financial institutions with deep rural and infrastructure linkages. - Increased probability of climate hazards can directly affect the Company operations through damage to pan-India offices and increased chances of defaults/non-performing assets in the portfolio.	- Declared scope emission reductions targets with Science Based Targets Initiative (SBTi) in FY2023 and implemented energy efficiency technology (BLDC fans, 5* rated air conditioners, L.E.D. lights) and green tariff programs to reduce Scope 2 emissions. - Development of specific actions related to Scope 1 reduction including decarbonization targets at high-emitting sites, transition towards electric vehicles for company-provided vehicles and move towards environmentally friendly refrigerants.	Negative and Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			- Climate change has an indirect effect on the finances of the business through increased energy demand and investment into climate resilient infrastructure. Opportunities - Increased availability of cheaper and safer technology for energy efficiency in response to climate change trends reduces the financial burden on companies for heating and cooling solutions. - Changing consumer demands for financial services and government concessions for green technologies, open the market for alternative technologies and diversified financial solutions.	- Sustainable operations initiatives including EV integration in Vehicle Policy, transition to CPCB II/IV-compliant DG sets, DG set usage monitoring, and gradual adoption of UPS battery systems. - Progressive increase of green energy consumption where feasible. - Focus on reduction of emissions in the value chain through 100% recycling of waste streams and switch towards recycled paper in Company offices. - Increased focus on afforestation programs in CSR and pro-bono initiatives to contribute towards green cover and ecosystem restoration.	
2	Human Capital	Risk & Opportunity	Risks - A lack of skilled talent or high attrition rate can hinder the Company's ability to execute the business strategy effectively. - Inadequate training, limited career growth opportunities or disengagement can reduce productivity and employee morale that impacts service quality and operational efficiency. Opportunities - Investing in human capital development through upskilling, continuous learning and leadership pipelines ensures that employees possess the right capabilities to support the Company's growth. - Diverse and skilled workforce promotes innovation and creativity in the workplace that makes the Company more resilient and dynamic to changing trends in the industry. - A thriving, safe and inclusive work environment enhances employee satisfaction and retention.	- Skill-building across teams (e.g., Crisis Management, Emotional Intelligence, Advanced Excel, Digital Onboarding). - Two-day induction with mandatory policy modules. - Partnership with ALYVE Health for mental wellbeing (EAP, check-ups, consultations). - Inclusive workplace practices strengthened through flexible work options, parental support benefits, maternity and paternity coverage, menstrual wellness initiatives, and childcare support mechanisms.	Negative and Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Diversity, Equity & Inclusion	Opportunity	Opportunities - Fostering equity and belonging improves workplace culture and strengthens the Company's social reputation. - Diverse backgrounds promote innovation and better understanding of customer needs that overall contributes to Company's resilience and dynamism to changing trends in the industry. - Localized knowledge of communities can improve the customer interaction and operational efficiency.	"PRARAMBH" Train-and-Employ programme implemented to strengthen women hiring through targeted training and placement support. - Second-career hiring initiatives introduced to support women re-entering the workforce. - Employee wellbeing supported through flexible work policies, parental and maternity benefits, menstrual wellness initiatives, and childcare support. - Inclusion strengthened through employee resource groups, awareness programmes, and sensitisation sessions on unconscious bias and psychological safety. - The women employee representation has increased from 3.7% in FY2023 to 5.9% in FY2026.	Positive
4	Customer Well-being	Risk & Opportunity	Risks - Poor customer experience can negatively affect operations and reputation of the Company. Opportunities - Good customer service keeps the channels open to customer feedback and continuous improvement of operational efficiency and service delivery.	365-day customer call centre (except national holidays), operating from 8 AM to 10 PM in 10 languages. - Centralised resolution team for credit bureau-related concerns. - Customer experience monitored through Customer Satisfaction Scores (CSAT) and Net Promoter Score (NPS) frameworks. - CSAT insights analysed across geographies, gender, and products to drive service improvements. - Query Request Complaints & Feedback (QRCF) framework established to manage customer queries, requests, complaints, and feedback across the customer lifecycle. - Behavioural training for staff to strengthen customer interaction and query resolution.	Negative and Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Business Ethics	Risk & Opportunity	Risks - Poor Board governance can result in low standardisation of procedures and lack of accountability that could increase the chances of ethical and regulatory issues. Opportunities - Strong Business ethics practices foster stakeholder trust and drives responsible growth.	- Defined Board-approved policies for anti-fraud, antibribery, anti-corruption, conflict of interest, whistleblowers and anti-money laundering that are communicated regularly including through mandatory annual training modules for all employees. - Structured Board Committees on key topics including risk, audits and stakeholder relationships. 98% of the employees received training covering all 9 NGRBC principles, including ethics and transparency - Establishment of fraud control units, for proactive fraud detection and prevention. 90+% employees have provided an undertaking/annual compliance to Code of Conduct to showcase their alignment with the Mahindra Finance principles on Business Ethics in reporting period	Negative
6	Board Governance	Risk & Opportunity	Risks - Poor Board governance can result in low standardisation of procedures and lack of accountability that could increase the chances of ethical and regulatory issues. Opportunities - Robust and transparent governance practices foster stakeholder trust, ensure regulatory compliance and drives responsible growth. - Well-governed organizations are better equipped to navigate risks, capitalize on opportunities and align their actions with broader societal and environmental expectations.	- Board subcommittees on key areas such as risk management, stakeholder relationship, remuneration, strategic investments, CSR and audits. - Board-approved policies with clear definition of responsibilities and accountability. The policies are reviewed annually to ensure appropriate updation and continuous improvement. - The use of townhalls and other fora to ensure communication between CXOs and the larger workforce on key topics that are material to day-to-day operations.	Negative and Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Risk & Control System	Risk	Risks - Inability of the Company to identify or manage key risks that can affect the business and stakeholders. - Updation of the Company's systems and processes to manage emerging risks - Inability to manage cash flows and resources due to unexpected events such as, climate hazards, cybersecurity breaches, and global events (e.g. wars/pandemics).	- Risk management strategies related to credit risk, liquidity risk, interest rate risk, business risk, operational risk, compliance risk, information technology risk, human capital risk, market risk and climate risk have been developed. - Business Continuity Plan covering a wide variety of unexpected events and actions that can be undertaken to reduce the impact from such events. - Internal Capacity Adequacy and Assessment Process (ICAAP) for evaluation of 18 key risk parameters on a quarterly basis and to determine efficacy of risk management processes. - Climate vulnerability assessments conducted for select geographies - Audit, risk management and steering Board sub-committees evaluates and discusses key risks and their preventive controls on a sub annual basis.	Negative
8	Responsible Products and Services	Opportunity	Opportunities - Mahindra Finance aims to contribute to India's growth in the rural and semi-urban sector. - The financial products of Mahindra Finance are aligned to India's development indices including access to transportation, access to housing, farming and agriculture and financial options for micro, small and medium enterprises. - The Mahindra Finance subsidiary - Mahindra Rural Housing Finance Limited (MRHFL) caters to an affordable housing customer base. - Mahindra Finance has ventured into Electric Vehicle (EV) financing and is collaborating with Mahindra Group on the Electric wheeler financing.	Progress towards offering structured products aligned towards financial inclusion and resilience building of the markets served by the Company.	Positive

Section B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No/NA)	Yes, MMFSL has policies covering all the 9 principles and the core elements of the NGRBCs. The alignment with the 9 principles can be found in the Fair Practice Code, Customer Grievance Redressal Policy, Aadhaar Privacy Policy, Investor Grievance Redressal Framework, Gift and Entertainment Policy, Remuneration Policy, POSH Policy, Internal Guidelines on Corporate Governance, Anti-Bribery and Anti-Corruption Policy, Code for Independent Directors, Code of Conduct for Board of Directors, Whistle Blower Policy and Corporate Social Responsibility policy.								
	b. Has the policy been approved by the Board? (Yes/ No/NA)	Yes								
	c. Web Link of the Policies, if available	The policies that cover the 9 principles can be found here https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information								
2	Whether the entity has translated the policy into procedures. (Yes/No/ NA)	Yes								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, key aspects of the policies are defined within the terms and conditions of the purchase order for vendor services and compliance to the same are reviewed during vendor onboarding and periodic assessment.								
4	Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company adheres to globally recognized standards and frameworks, including: - UN Guiding Principles on Business and Human Rights (UNGPs) - UN Sustainable Development Goals (SDGs) - Core Conventions of the International Labour Organization (ILO) - OECD Guidelines for Multinational Enterprises - UN Global Compact (UNGC) ESG performance is reported in alignment with: - Global Reporting Initiative (GRI) Standards - Integrated Reporting <IR> Framework - Sustainability Accounting Standards Board (SASB)								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	MMFSL has developed a sustainability roadmap across parameters. The declared goals and targets have been summarized below:								

6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Specific commitment, goal and target	Progress against the commitment, goal and target
		Scope 1 and Scope 2 emission reduction of 50.4% declared with Science Based Targets Initiative (SBTi) to be met by FY2032 compared to baseline values determined in FY2023. Note: The above targets are for Mahindra Finance and its two subsidiaries - MRHFL and MIBL.	Scope 1 Emissions • Scope 1 emissions for Mahindra Finance as defined for the FY2023 baseline is 2008.19 tCO₂e. • In FY2026, the scope 1 emission numbers for Mahindra Finance using the same criteria defined in FY2023 is 3,679.35 tCO₂e. • The scope 1 emissions have therefore increased by 83% since FY2023 but there has been a negligible change in Scope 1 between FY2025 and FY2026. • The increase is driven by higher employee uptake of car reimbursements over the past three years and an updated FY2025 Scope 1 methodology that includes additional data points versus the FY2023 baseline. While Mahindra Finance shows a year-on-year rise in Scope 1 emissions, overall emissions across all three entities declined due to a 60%+ reduction in MRHFL emissions from employee-availed vehicles. Scope 2 Emissions • Scope 2 emissions for Mahindra Finance as defined for the FY2023 baseline is 16,038 tCO₂e. • In FY2026, the scope 2 emission number for Mahindra Finance is 11,545.23 tCO₂e. • The scope 2 emissions have therefore reduced by 18% since FY2023 and 12% between FY2025 and FY2026.
		Scope 3 emission reduction of 58.1% per employee declared with SBTi to be met by FY2032 compared to baseline values determine in FY2023. Note: The above targets are for Mahindra Finance and its two subsidiaries - MRHFL and MIBL.	• Scope 3 emissions for Mahindra Finance were defined in FY2023 baseline as 0.558 (tCO₂e per capita) consisting of Category 1 ("Purchased Goods and Services"), Category 5 ("Waste Generated in Operations") and Category 6 ("Business Travel"). • In FY2026, scope 3 emissions for Mahindra Finance for the same Scope 3 categories is 0.318 (tCO₂e per capita). • The scope 3 emissions has therefore reduced by 43% compared to baseline values
		100% recycling of waste streams declared in FY2024 Integrated Report (IR) in compliance with various waste rules released by the Central Pollution Control Board (CPCB)	• Target was met in FY2025 and FY2026.

Governance, leadership and oversight

7	Statement by director responsible for the business responsibility report, highlighting E S G related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Mahindra Finance has adopted a process-driven framework by integrating Environment, Social and Governance (ESG) principles into the business in FY2026. The E&S governance structures have been strengthened through 18 ESG and Climate risk parameters integrated in the Internal Capacity Adequacy Assessment Process (ICAAP), modification of the terms of reference for the CSR board sub-committee to review ESG culture of the organisation and professional membership to the UN Global Compact (UNGC). The materiality assessment was undertaken at the end of FY2025 that identifies 8 material topics and aligns it with ESG pillars: • Environment Pillar: Emissions and Climate Change and Responsible Products and Services • Social Pillar: Human Capital, Diversity, Equity & Inclusion and Customer Well-being • Governance Pillar: Corporate Governance, Business Ethics and Risk & Control Systems. The key E&S achievements for FY2026 have been summarised below: • Scope Emission Targets: A reduction of 4% in absolute scope emissions (Scope 1-3) was observed year-on-year with a significant reduction in Scope 2 (10%) and Scope 3 (13%) emissions. • Electricity Consumption: Reduction of 10% grid-based electricity consumed compared to the previous financial year supported by ~684 GJ of energy saved through implementation of energy-efficient equipment and 3,700+ GJ increase in renewable energy procured. • Diversity & Inclusion: Concerted diversity efforts to improve gender representation and creating a more inclusive culture. As the ESG disclosure, ratings, and regulatory landscape matures in India, the Company reaffirms its commitment to its sustainability vision and implementation of sustainability initiatives.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Raul Rebello (Managing Director & Chief Executive Officer, MMFSL) is the highest authority responsible for oversight on business responsibility across the Company.
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No/NA). If yes, provide details.	The Corporate Social Responsibility (CSR) Board Sub-Committee oversees governance and strategic alignment with the Company's sustainability objectives and comprises four directors, including three independent directors and managing director. The specific responsibilities of the CSR committee under its Terms of Reference ("ToR") includes: • Approval of formulated policies and procedures related to ESG performance and BRSR. • Discuss the overall general strategy with respect to ESG matters and ensure compliance with sustainability regulatory requirements. • Align with the Risk Management Committee (RMC) on ESG risks pertaining to the Company.

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
P e r f o r m a n c e against above policies and follow up action	Relevant policies of the Company are reviewed annually by the Board/designated Board level committees.																	
C o m p l i a n c e with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company ensures compliance with all applicable statutory requirements. Various board-level and management-level committees have been constituted, which meet periodically to monitor compliance objectives and review performance.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9

11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No

12	If answer to question 1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated, as below:	

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)					NA				
Any other reason (please specify)					NA				

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

- 1 Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	Director Familiarisation*, Awareness on Cyber Security and SEBI (Prohibition of Insider Trading) Regulations.	100%
Key Managerial Personnel	10	Code of Conduct, Anti Bribery Anti-Corruption, Prevention of Sexual Harassment, Fair Practice Code, Operational Risk Management, AML-KYC, Cyber Security, Business Responsibility & Sustainability Reporting, Business Continuity Planning, Annual Compliance	33.33%
Employees other than BoD and KMPs	10		98.24%
Workers	NA	NA	NA

Note (*) The Director familiarisation includes briefing to the Board on overview of the 9 NGRBC Principles including Internal Controls, Related Party Transactions and Risk Management, details of which can be accessed on <https://www.mahindrafinance.com/investor-relations/policy-and-shareholder-information#familiarization-program>

- 2 Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine*	NGRBC 1	The Reserve Bank of India ("RBI")	₹ 71.30 Lakhs	Penalty levied for non-adherence to certain provisions in relation to the Fair Practice Code ("FPC") and KYC norms [Order dated 25 April 2025]	No
	NGRBC 1, 3	RBI	₹ 11.50 Lakhs	Penalty levied for non-adherence of certain provisions under 'FPC and 'Internal Ombudsman' [Order dated 27 Feb 2026]	No
Settlement				Nil	
Compounding fee				Nil	

Note*: The Company has implemented corrective actions including strengthening of grievance redressal processes and controls to ensure compliances.

Details of penalties levied by other regulators can be accessed on the website of stock exchanges, in the integrated corporate governance report filed by the Company and on the Company's website at <https://www.mahindrafinance.com/investor-relations/regulatory-filings>.

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				Nil	
Punishment				Nil	

3 Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA
The Company has filed appeals, where necessary and expects favourable outcome at the appellate level. The Company does not reasonably expect the said Orders to have any material financial impact on the operations of the Company.	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. MMFSL practices a zero-tolerance approach to bribery and corruption and is committed to conducting all business dealings and relationships in a professional and fair manner. The Company is dedicated to implementing and enforcing effective systems to counter bribery and corruption in any form.

ABAC Policy: <https://www.mahindrafinance.com/about-us/policies>

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

Category	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6 Details of complaints with regard to conflict of interest

Category	FY (2025-26) (Current Financial Year)		FY (2024-25) (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7 Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable; as there are nil cases of corruption and conflicts of interest during the reporting period.

8 Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Number of days of Accounts payables	57	49

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	NA	NA
	b) Number of trading houses where purchases are made	NA	NA
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a) Sales to dealer/distributors as % of total sales	NA	NA
	b) Number of dealers/distributors to whom sales are made	NA	NA
	c) Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	NA	NA
Share of RPTs in	a) Purchases (Purchases with related parties as % of Total Purchases)	39.00%	37.51%
	b) Sales (Sales to related parties as % of Total Sales)	4.00%	0.45%
	c) Loans & advances given to related parties as % of Total loans & advances	0	0
	d) Investments in related parties as % of Total Investments made	22.00%	14.42%

LEADERSHIP INDICATORS

1	Awareness programmes conducted for value chain partners on any of the principles during the financial year:							
	<table><tr><th>Total number of awareness programmes held</th><th>Topics/principles covered under the training</th><th>% of value chain partners covered (by value of business done with such partners) under the awareness programmes</th></tr><tr><td>20</td><td> - Principle 1 (Code of Conduct-Ethics, Transparency, and Accountability) - Principal 2 (Safe and Sustainable Goods and Services) - Principal 3 (Well-being) - Principal 5 (Human Rights) - Principle 6 (Protect and Restore the Environment) </td><td>27% of major value chain partners</td></tr></table>	Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes	20	- Principle 1 (Code of Conduct-Ethics, Transparency, and Accountability) - Principal 2 (Safe and Sustainable Goods and Services) - Principal 3 (Well-being) - Principal 5 (Human Rights) - Principle 6 (Protect and Restore the Environment)	27% of major value chain partners	
Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes						
20	- Principle 1 (Code of Conduct-Ethics, Transparency, and Accountability) - Principal 2 (Safe and Sustainable Goods and Services) - Principal 3 (Well-being) - Principal 5 (Human Rights) - Principle 6 (Protect and Restore the Environment)	27% of major value chain partners						
	Note: Major value chain partners have been defined for the purpose of the BRSR as vendors who provide a material goods and services to the Company (i.e. defined by a minimum threshold in terms of goods/ services sold), criticality of the business (where the vendor's services are critical and irreplaceable in the context of MMFSL operations) and/or operational disruption (where the vendor's services can result in a temporary disruption in the MMFSL operations).							
2	Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.	Mahindra Finance has defined a code for independent directors that is aligned with section 149 (8) of the Companies Act 2013. The code includes specific clauses on ethical standards of integrity and probity and acting objectively and constructively while exercising duties.						

P2 Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	
Capex	9%	4%	- Replacement of old air-conditioners with 5-star BEE rated machine - Implementation of recycled materials in Modular Furniture - Implementation of Brushless DC motor (BLDC) fans to improve energy efficiency

Note: The capex investment made by the Entity for the purpose of this question includes Company-owned vehicles, employee-availed vehicles, office furniture, furnishings and equipment.

2	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Sustainable sourcing at MMFSL is achieved through two key mechanisms: 1) Working with Responsible Suppliers Working with suppliers who are providing responsible and/or sustainable products and services to Mahindra Finance: - Alternative energy technologies have been implemented across offices, with HVAC systems transitioning to lower global warming potential (GWP) and ozone depleting substance (ODS) alternatives like R32 gas. - Wheat-based paper was introduced at the corporate office in FY2024 for operational use and has continued in successive years. 2) Sustainable Supply Chain Management - All new vendors are assessed for reputational risk and legal compliance, with Environmental & Social (E&S) requirements embedded in onboarding documentation and purchase orders. - Vendor assessment including self-certification is completed every year. The most recent evaluation of select major vendors was completed in FY2026 on a prioritization basis. The vendor evaluation is undertaken with respect to alignment to MMFSL's safety criteria, legal compliance and labour practices. - As part of MMFSL's UN Global Compact membership, a Human Rights Due Diligence (HRDD) exercise was carried out in FY2025, assessing supply chain alignment with Indian labour laws and international standards, including OECD Guidelines, ILO Declaration, and international human rights covenants.
	b. If yes, what percentage of inputs were sourced sustainably?	In FY2026, 27% of major vendors provided sustainable products as defined in S.No. 1 above. The remaining vendors have E&S clauses that are defined in the Product Order (PO) and/or Service-level Agreement (SLA).
3	Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:	
	a. Plastics (including packaging)	
	b. E-waste	As a service-sector organization engaged in financial services, Mahindra Finance does not manufacture physical products or engage in large-scale packaging.
	c. Hazardous waste	
	d. Other waste	
4	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	NA

Note: As a responsible business, MMFSL has evaluated the end-of-life process for its loan portfolio and primarily the management of battery and tyre waste. In the case of MMFSL loans, the automobile financing business does repossess vehicles that are collateral for non-performing assets. The repossessed vehicles are auctioned and therefore no end-of-life components are stored or disposed/recycled by the Company.

LEADERSHIP INDICATORS

1

Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
Limited Applicability						
As a financial services provider, Mahindra Finance does not manufacture or distribute physical products. As part of embedding a Life Cycle Perspective into its lending operations, the following ESG considerations have been incorporated into the credit risk assessment process:						
An exclusion list for high-risk sectors and activities. Ongoing monitoring of operational portfolio risks to identify and manage any potential environmental and social (E&S) impacts arising from financed activities.						

2

If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
NA		

3

Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material	
	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
NA	NA	NA

4

Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Category	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as MMFSL is a financial services company hence it does not manufacture any products.			Not applicable as MMFSL is a financial services company hence it does not manufacture any products.		
E-waste						
Hazardous waste						
Other waste						

5

Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	21,339	21,339	100%	21,339	100%	NA	NA	21,339	100%	18,619	87%
Female	1,331	1,331	100%	1,331	100%	1,331	100%	NA	NA	1,245	94%
Other						NA					
Total	22,670	22,670	100%	22,670	100%	1,331	100%	21,339	100%	19,864	88%
Other than Permanent Employees											
Male	4,044	4044	100%	3310	82%	NA	NA	NA		NA	
Female	436	436	100%	89	20%	436	100%				
Other				NA							
Total	4,480	4,480	100%	3,399	76%	436	100%				
Note: The details of well-being coverage among “Permanent” and “Other than Permanent Employees” differs from the employee numbers provided in Section A, Question No. 20 [“Employees and Workers” at the end of Financial Year] because this section covers all employees that were eligible for the well-being measures, including those employees that have separated from the Company prior to the end of the financial year.											

1b Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male											
Female											
Other						NA					
Total											
Other than Permanent Workers											
Male											
Female											
Other						NA					
Total											

1c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

Indicate input material	Recycled or re-used input material to total material	
	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.22%	0.35%

Note:

- (1) The spending towards well-being of employees in FY2025 includes spend on insurance, daycare facilities, mental health workshops, long service recognition, festivals, event celebrations, sports leagues and employee surveys.
- (2) In accordance with the National Stock Exchange (NSE) Circular Reference No. NSE/CML/2025/25, the cost incurred for well-being should be restricted to 5 initiatives namely, health insurance, accident insurance, maternity benefits, paternity benefits and day care facilities. As this circular has been released in between the formal disclosure of Mahindra Finance's BRSR for FY2025 and BRSR for FY2026, the requirements of the circular has only been included in the FY2026 column above. The same will result in a discrepancy in calculation methodologies year-on-year.

2 Details of retirement benefits, for Current and Previous FY

Benefits	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	NA	Y	100.00%	NA	Y
Gratuity	100.00%	NA	Y	79.77%	NA	Y
ESI	17.83%	NA	Y	17.31%	NA	Y
Others - please specify	-	-	-	-	-	-

3 Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, to the extent possible and wherever feasible, Mahindra Finance offices are being made accessible to differently abled employees in alignment with the Rights of Persons with Disabilities Act, 2016.

The following considerations are incorporated, particularly when opening or relocating branches, with a view to being future-ready and inclusive:

- Preference for selecting ground floor locations.
- Assessment of feasibility for installing ramps and railings at ground floor branches.
- Provision of Public Works Department-friendly washrooms, along with accessibility features such as adequate lighting, ventilation, and ergonomic infrastructure.
- Design of branch layouts to enable easy access and passage for persons with disabilities, wherever feasible.

- 4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
- Yes. Mahindra Finance is an Equal Opportunity Employer and is committed to upholding the rights of differently abled individuals in accordance with the Rights of Persons with Disabilities Act, 2016. The Company actively works toward identifying suitable roles and creating specific employment opportunities for persons with disabilities, in both letter and spirit of the Act.

The Company's approach to equal opportunity and inclusion is detailed in its publicly disclosed Human Rights Policy, available at: <https://www.mahindrafinance.com/about-us/policies>

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99.83%	72.54%	NA	NA
Female	38.30%	74.07%	NA	NA
Total	95.24%	72.67%	NA	NA

Note: The return to work rate and retention rate has been calculated in accordance with the SEBI guidance and the methodology used is as follows:

- Return to Work Rate: (Total number of employees that did return to work after parental leave x 100)/ Total number of employees due to return to work after taking parental leave.
- Retention Rate: (Total number of employees retained in the end of the FY2026 after returning to work following a period of parental leave in FY2025 x 100)/Total number of employees returning from parental leave in FY2025.

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes; explained below
Other than Permanent Employees	Yes; explained below
Permanent Workers	NA
Other than Permanent Workers	

Mahindra Finance has a formal grievance redressal policy for all employees, with a structured three-tier escalation process: concerns are first raised with the Reporting Manager, then escalated to the Reviewing Manager, and finally referred to the Grievance Committee at the Circle or Head Office level. The Head Office Grievance Committee's decision is final.

Additionally, a dedicated Ethics Portal, managed by a third party, allows employees to report concerns anonymously via a 24/7 toll-free number. Each grievance is assigned a unique case number for tracking purposes.

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees						
Male	NA			NA		
Female						
Other						
Male						
Female						
Other						

The Company does not have any employee associations. The Company fosters a culture of open communication and equal opportunity by enabling employees to directly raise queries with senior management through webcasts, which are actively addressed. Additionally, grievance redressal portals are in place to ensure timely and confidential resolution of employee concerns.

8 Details of training given to employees and workers:

Category	FY (2025-26) (Current Financial Year)					FY (2024-25) (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees									
Male	21,499	21,200	98.61%	21,311	99.13	23,895	15,837	66.28	22,345	93.51
Female	1,430	472	33.01%	1,401	97.97	1,366	456	33.38	1,189	87.04
Total	22,929	21,672	94.52%	22,712	99.05	25,261	16,293	64.50	23,534	93.16
	Workers									
Male	NA					NA				
Female										
Total										

Note: The details of training coverage among “Male” and “Female” employees differs from the employee numbers provided in Section A, Question No. 20 [“Employees and Workers” at the end of Financial Year]. The training modules on health and safety and skill upgradation are undertaken across the year and will therefore include those employees that have separated from the Company prior to the end of the financial year.

9 Details of performance and career development reviews of employees and worker:

Category	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Total Permanent Employees						
Male	21,301	17,110	80.32%	23,895	19,673	82.33%
Female	1,336	1,116	83.53%	1,366	932	68.23%
Total	22,637	18,226	80.51%	25,261	20,605	81.57%
Total Permanent Workers						
Male	NA			NA		
Female						
Total						

Note: The details of career development reviews for employees differs from the employee numbers provided in Section A, Question No. 20 [“Employees and Workers” at the end of Financial Year]. Only employees who have completed 6 months in the Company as of March 31, 2026 are eligible for a formal career development review process. Employees who do not complete a formal career development review are still required to have informal discussions with their immediate manager but the same is not captured in the system as a “career development review”.

10. Health and safety management system:

- a

Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Mahindra Finance has an approved Health & Safety Policy. A few established procedures and initiatives conducted in FY2026 include:

- Structured Standard Operating Procedures (SOPs) to ensure the health and safety of employees at their workplaces.
 - Implemented a Train-the-Trainer programme along with dedicated safety training to build awareness on emergency procedures, fire safety, and workplace safety.
 - Emergency response preparedness including dedicated Emergency Response Team (ERT) members, established fire safety infrastructure.
 - Conducted safety audits across 1,189 offices in FY2026.
 - External audits and assessments, including ISO 27001, NIST Maturity Audit and CMS Audit.
 - 24x7 alert-based Command Centre to provide emergency support across all locations.
 - Work Permit System for critical work activities to ensure zero harm at office locations.
- b

What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has implemented a proactive approach to identify risk through a structured Hazard Identification and Risk Assessment (HIRA) process for work-related hazards across both routine and non-routine activities.

c	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Yes; the Company has established a structured incident reporting and corrective action mechanism, enabling employees to promptly report workplace hazards and incidents for timely resolution.
d	Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes; the head office of Mahindra Finance has an occupational health and safety centre (OHC). Additionally, circle and branch offices have identified nearby medical facilities that can be availed by employees and other than permanent workers. Emergency response contact numbers is displayed on the notice boards in 1300+ office locations.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries*	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

Note (*): As defined by Occupational Safety, Health & Working Condition Code, 2025

12	Describe the measures taken by the entity to ensure a safe and healthy workplace.	Mahindra Finance has implemented several initiatives to foster a safe, healthy, and inclusive workplace, such as: • Deployment of fire and electrical safety infrastructure across offices. • Workplace safety programs conducted periodically for employees and 95.7 % adherence of employees. • Periodic Internal and external safety audits, to evaluate and strengthen safety. • A Women Safety Ambassador Program with self-defence training to promote safety awareness among female employees.

13 Number of Complaints on the following made by employees and workers:

Category	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14 Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	90% of offices assessed
Working Conditions	
Note: Regional and branch office supervisors hold additional responsibility for overseeing workplace safety processes and procedures. These professionals periodically assess the safety performance of their respective offices and report key findings to the Environmental Health & Safety (EHS) head.	

15	Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.	As of FY2026, no significant risks or safety-related incidents have been identified across MMFSL operations. Accordingly, no corrective actions have been required or undertaken.

LEADERSHIP INDICATORS

1	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)	A. Yes, the Company provides its employees with the Group Term Life Insurance, Personal Accident cover, Employee Deposit Link Insurance (EDLI) and gratuity life cover benefit.
	(B) Workers (Y/N).	B. Not Applicable
2	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners	As outlined under Sustainable Sourcing (Q2 - Essential Indicators, Principle 2), regulatory compliance obligations are embedded within the Purchase Orders (POs) issued to all vendors.

3 Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Employees	0	0	0	0
Workers	NA	NA	NA	NA

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/No/NA)**

- Yes;
- The Company provides continued Medclaim coverage for employees at Manager grade and above, along with their spouses, up to the age of 75 years, post-retirement.
 - Retirement benefits include gratuity (for employees with five or more years of service), leave encashment, settlement of pending salary dues, and extended medical care as applicable.
 - While no retrenchment has occurred to date, the Company is committed to responsible separation practices in the event such a step becomes necessary due to unforeseen or unavoidable circumstances.
 - In such cases, MMFSL will take measures to ensure fair treatment and transitional support for affected employees

5 Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health & Safety Practices	50% of the major value chain providers have been assessed in FY2026.
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There has been no concern or significant risk arising from health & safety practices and working conditions at the Company, hence, corrective action is not applicable.

P4 Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

- 1 Describe the processes for identifying key stakeholder groups of the entity.
- Mahindra Finance interacts with diverse stakeholders on an annual basis through formal and informal channels including communities, employees, customers, regulators, shareholders, investors, lenders and vendors.
- Any new stakeholders that are identified in the financial year, are determined through:
- Resolution of customer feedback received through query, requests, complaints and feedback (QRCF) framework.
 - Ongoing interactions with communities as part of corporate social responsibility initiatives and third party impact assessment to determine success of these initiatives.
 - Annual internal strategy workshop that is undertaken to determine the overall focus for the financial year with respect to market demand trends, strategic intervention areas, new products/sub-products and sustainable growth initiatives.
- Based on the above mechanisms, additional stakeholders may be identified and consulted on an annual basis.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Community	Yes	Website, emails, SMS and community engagement initiatives social media	Ongoing & Need based	Feedback from local communities, gathered through direct engagement and third-party impact assessment.
2	Employees	No	Employee engagement activities, trainings, email notifications, website, employee portals, talent management and growth opportunities platforms.	Ongoing & Need based	In the reporting year, engagement focused on embedding core organizational principles through capability-building and participation initiatives, alongside sustained focus on employee well-being and inclusion
3	Customers	No	Customer meets, dealer/ OEM events, website, social media, campaign, call center, email.	Ongoing, weekly, monthly	Customers are engaged through the query, request, complaints and feedback (QRCF) framework.
4	Regulators	No	Periodic/Annual compliance reports, continued engagement and representations	Need based	Continuous engagement with regulators to ensure compliance, interpretation of regulations and uninterrupted operations.
5	Shareholders/ Investors	No	Newspaper, notices, letters, e-mails, press releases, website, investor conferences, quarterly earnings calls, stock exchange announcements, Annual General Meetings (AGM), integrated annual report.	Quarter & Need based	Frequent updates provided to shareholders / Investors to showcase our growth and expansion plans
6	Dealers/ OEMs	No	Dealer portal formal mechanism and events	Ongoing	Frequent discussions to align operational processes and after sales service.
7	Lenders	No	Meetings and emails	Ongoing	To ensure adequate funding and liquidity while maintaining transparent communication on financial performance, asset quality, and regulatory compliance, with key lender concerns centered around liquidity position, portfolio quality, capital adequacy, profitability, and growth strategy.
8	Vendors/ Suppliers	No	Emails, meeting, SMS, calls and vendor site assessments.	Ongoing	Discussions on vendor onboarding requirements, scope of work discussions, safety expectations and progress meetings to discuss work completion.

LEADERSHIP INDICATORS

1	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.	The Stakeholder Relationship Committee of the Board is responsible for overseeing stakeholder (including shareholders, debenture holders, fixed deposit holders, customers) engagement and grievance redressal mechanisms. It ensures that stakeholder priorities are aligned with the Company's strategic direction and ESG commitments.
2	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity	Yes. Stakeholder feedback is actively incorporated into Mahindra Finance's policies, strategic planning, and ESG roadmap. Engagements with both internal and external stakeholders—through surveys, workshops, impact assessments, and consultations—help identify and prioritize key environmental and social topics. These insights feed directly into the development of the Company's sustainability roadmap, which guides both compliance and forward-looking initiatives. The resulting reports also serve as critical inputs for material issue identification and programmatic decision-making
3	Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.	Feedback from local communities, gathered through direct engagement and third-party impact assessments, plays a key role in shaping the Company's CSR initiatives. This feedback ensures that interventions are context-sensitive and aligned with the evolving needs and expectations of vulnerable and marginalised communities, thereby maximizing long-term social impact. Beyond the mandate of CSR, we have identified skill training needs among vulnerable stakeholder groups and designed programmes to address these needs, contributing towards better integration of these groups into the workforce and society.

P5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1

Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY(2025-26) (Current Financial Year)			FY(2024-25) (Previous Financial Year)		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	22,929	22,668	98.86%	25,261	24,781	98.10%
Other than permanent	4,480	-	-	3,438	-	-
Total	27,420	22,668	82.67%	28,699	24,781	86.35%
Workers						
Permanent						
Other than permanent		NA			NA	
Total						

Note: The details of training coverage among “Permanent” employees differs from the employee numbers provided in Section A, Question No. 20 [“Employees and Workers” at the end of Financial Year]. The training modules on human rights issues and policies are undertaken across the year and will therefore include those employees that have separated from the Company prior to the end of the financial year.

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY (2025-26) (Current Financial Year)					FY (2024-25) (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	21,301	NA		21,301	100	23,895	NA		23,895	100
Female	1,336			1,336	100	1,366			1,366	100
Other than Permanent										
Male	4,044	NA		4,044	100	2,996	NA		2,996	100
Female	436			436	100	442			442	100
Workers										
Permanent										
Male	NA					NA				
Female										
Other than Permanent										
Male	NA					NA				
Female										

3 a Details of remuneration/salary/wages, in the following format:

Remuneration/wages

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category (INR)	Number	Median remuneration/salary/wages of respective category (INR)
Board of Directors (BoD)*	4	0.64 Cr	2	0.39 Cr
Key Managerial Personnel	2	5.67 Cr	1	1.30 Cr
Employees other than BoD and KMP	21319	0.05 Cr	1347	0.05 Cr
Workers				NA

Note:

*The median calculation has been made considering the remuneration for FY2026 of the Directors, who receive remuneration from the Company and associated with the Company as on 31st March 2026, excluding Managing Director and CEO (covered under KMP).

3 b Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Gross wages paid to females as % of total wages	7.48%	6.57%

- 4

Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, The Corporate ombudsman is the focal point responsible for addressing human rights. Contact details for the same are available in our Human Right's Policy.
- 5

Describe the internal mechanisms in place to redress grievances related to human rights issues.

Mahindra Finance is committed to respecting human rights and maintaining ethical business and employment practices, with zero tolerance for child labour, forced labour, slavery, or any form of abuse. This commitment is embedded through dedicated committees and formal policies accessible to all employees.

A structured grievance redress mechanism escalates concerns from the Reporting Manager to the Reviewing Manager, and finally to the Grievance Committee at the Regional, Circle, or Head Office level, whose decision is final. Stakeholders may also report human rights violations or ethical misconduct directly to the Corporate Ombudsman, ensuring an independent channel for raising concerns.

The grievance process is formally governed by the Human Rights Policy and Whistle Blower Policy, both publicly disclosed, reflecting the Company's commitment to transparency and accountability.

6 Number of Complaints on the following made by employees and workers:

Category	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	4	0	All reported complaints have been addressed and closed in FY2026.	3	0	All reported complaints have been addressed and closed in FY2025.
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	4	3
Complaints on POSH as a % of female employees/workers	0.23%	0.17%
Complaints on POSH upheld	0	0

- 8

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Mahindra Finance has instituted a formal grievance mechanism allowing employees to raise concerns confidentially and anonymously, without fear of retaliation. This is supported by the Human Rights Statement, Whistle Blower Policy, Vigil Mechanism, and oversight from the Disciplinary Action Committee.

The Company maintains strict policies prohibiting discrimination, harassment, and retaliation against employees who report grievances in good faith.

Additionally, a 24/7 Ethics Portal with a toll-free helpline enables employees to report serious concerns at any time. Each submission generates a unique case number for tracking, which also serves as the sole identifier for anonymous complaints.

- 9

Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Mahindra Finance incorporates human rights safeguards into its business relationships through various formal mechanisms:

 - A Code of Conduct and Exclusion List are applicable to all value chain partners. These explicitly state that Mahindra Finance will not engage in any financing or business activities that involve or result in human rights violations.
 - The Supplier Code of Conduct mandates all suppliers to submit a self-declaration affirming that their operations do not involve any form of human rights or environmental violations.

These requirements are embedded in vendor agreements and are part of the Company's broader sustainability and ethical sourcing framework.

10 Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	NA

- Note: The assessment for the purpose of this question has been defined based on the following four actions:
- Trainings provided to employees on ‘Code of Conduct’ and related implementation.
 - Compliance to labour laws (including child and forced labour laws defined by the Government of India) are defined in the Purchase Order (PO) and vendor representatives are checked for photo identification to verify age at the start of work.
 - Wage/remuneration reviews are undertaken by the HR compliance team on a sub-annual basis to determine alignment with prevalent and latest regulations on wages.
 - Signage is displayed at office locations related to child labour, forced labour and discrimination at the workplace.
- 11 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.
- NA

LEADERSHIP INDICATORS

- 1 Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.
- During the financial year, no human rights-related complaints were reported. Hence, new business processes have not been modified/introduced in the Company.
- 2 Details of the scope and coverage of any Human rights due-diligence conducted
- In FY2025, MMFSL undertook a third-party Human Rights Due Diligence (HRDD) exercise covering both its internal operations and major value chain partners. The assessment aligned with the OECD Due Diligence Guidance for Responsible Business Conduct.
- The due diligence covered the Head Office, three Regional Offices, and two vendors, evaluating compliance with 12 human rights parameters, including:
- Prohibition of child and forced labour
 - Non-discrimination and equal opportunity
 - Freedom of association and collective bargaining
 - Equal remuneration and fair wages
 - Safe working conditions, social security, and data privacy
 - Mental health support and career growth opportunities
- In FY2026, the value addition recommendations from the HRDD are being implemented.

- 3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
- Yes, additionally, the Company is proactively making accessibility improvements while opening or relocating branches, including:
- Preference for ground-floor locations
 - Feasibility assessment for installing ramps and railings
 - Persons with Disabilities (PWD) accessible washrooms.
 - Branch layouts designed for unobstructed access and movement wherever feasible

Details on assessment of value chain partners:	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Mahindra Finance is a service sector entity, and the value chain partners are largely service providers identified in a competitive market environment. The requirement for a value chain assessment is therefore limited because the Company operates on an asset-light model and does not have exposure to long-term partnerships with any vendors/service providers.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

- 5 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.
- NA

P6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

- 1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	4347.77	645.30
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	4347.77	645.30
From non-renewable sources		
Total electricity consumption (D)	58,539.18	65,279.90
Total fuel consumption (E)	49,402.78	48,039.16
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,07,941.96	1,13,319.06
Total energy consumed (A+B+C+D+E+F)	1,12,289.73	1,13,964.36

Parameter	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	6.07	7.08
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	123.46*	146.49*
Energy intensity in terms of physical output		
Energy intensity (optional) - the relevant metric may be selected by the entity (GJ per employee)	4.14	3.97
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	SGS India	
Note: #The total energy consumption was calculated based on the Company's operations and the conversion factors were referred from Department of Energy Security & Net Zero (DESNZ) 2025. *As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2026 was applied to adjust Indian revenue in USD (PPP-adjusted).		

- 2

Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
- Not Applicable.
- However current legislations related to energy efficiency are followed across all branches for potential energy saving through measures like installation/replacement of energy efficient electrical fittings like LED's, 5 star rated AC's and BLDC motor fans.

- 3

Provide details of the following disclosures related to water, in the following format:

S. No.	Parameter	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Water withdrawal by source (in kilolitres)			
i	Surface water	NA [#]	NA [#]
ii	Groundwater	NA [#]	NA [#]
iii	Third party water	8,339.87 [@]	8,301.80 [@]
iv	Seawater/desalinated water	NA [#]	NA [#]
v	Other	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		8,339.87	8,301.80
Total volume of water consumption (in kilolitres)		8,339.87	8,301.80

S. No.	Parameter	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
	Water intensity per rupee of turnover (Water consumed/revenue from operations) (KL/₹)	0.45 per Cr. Of turnover	0.52 per Cr. Of turnover
	Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	9.17* KL per million USD	10.67* KL per million USD
Water intensity in terms of physical output			
	Water intensity (optional) – the relevant metric may be selected by the entity (KL per employee)	0.31	0.29
	Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	SGS India	
Note: #Mahindra Finance does not directly withdraw any water from ground, surface or sea water sources. The water that is sourced from the market for drinking purposes has been disclosed above. @Water sourced through third party has been obtained from Municipality or equivalent for office use (non drinking). *As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2026 was applied to adjust Indian revenue in USD (PPP-adjusted).			

- 4

Provide the following details related to water discharged:

Parameter		FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
To Surface water	No treatment	-	-
	With treatment - please specify level of treatment	-	-
To Groundwater	No treatment	-	-
	With treatment - please specify level of treatment	-	-
To Seawater	No treatment	-	-
	With treatment - please specify level of treatment	-	-
Sent to third-parties	No treatment	-	-
	With treatment - please specify level of treatment	-	-
Others	No treatment	1,43,720.10	1,52,104.70
	With treatment - please specify level of treatment	-	-

Parameter	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Total water discharged (in kilolitres)	1,43,720.10	1,52,104.70

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

SGS India

- Note:**
- Water discharged is limited to wash water used solely for flushing purposes. No harmful chemicals are used, ensuring the discharged water does not pose environmental or health risks.
 - Water is discharged to “other” destination as shown in the table above. The definition of “other” used for the purpose of the BRSR is through sewer infrastructure provided by the municipality or equivalent.
 - The water discharge figures are higher than the water consumption because discharge has been estimated based on flushing-related wastewater generation using the NBC guidelines. Water consumption reflects only third-party procured drinking water (bottled water). Accordingly, the discharge estimate is based on the total employee count and NBC-based assumptions, resulting in a higher discharge value relative to the reported consumption.

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

No

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
NOx	g/kW-hr	-	0.49
SOx	-	-	-
Particulate Matter (PM)	g/kW-hr	-	0.13
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
SO2	g/kW-hr	-	0.20
Non-Methane Hydrocarbon	g/kW-hr	-	-
Carbon Monoxide	g/kW-hr	-	0.53
Others - please specify	MT	-	-

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

SGS India

Note: Mahindra Finance has undertaken stack monitoring at ~32% of the diesel generator sets operated by the Company in FY2024 and FY2025. The stack monitoring results have indicated that all air emission parameters fall within the prescribed standards by Central Pollution Control Board (CPCB). The Company has also phased out the use of Diesel Generators and replaced the same with Uninterrupted Power Supply (UPS) batteries. The DG sets are therefore retained at the branch and regional offices for only back-up purposes and are not actively used. The requirement for DG set air emission testing has therefore been changed from annual to once in three years to reflect actual usage of the equipment. No air emission testing has been undertaken in FY2026.

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	unit	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4,578.75	4,022.02
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	11,545.23	13,182.91
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric tonnes/turnover	0.87 tonnes per Cr of turnover	1.07 tonnes per Cr of turnover
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric tonnes/million USD	17.73# tonnes per million USD	22.11# tonnes per million USD

Total Scope 1 and Scope 2 emission intensity in terms of physical output

Total Scope 1 and Scope 2 emission intensity (optional) - per ton of production	Tones CO ₂ e/Employee	0.59 tonnes/employee	0.60 tonnes/employee

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The core parameters have been subjected to reasonable assurance, while non-core parameters have undergone limited assurance. Both levels of assurance have been conducted by SGS India Private Limited, an independent third-party assurance provider.

- Note:**
- Emissions from diesel and petrol (mobile combustion) were calculated using methodologies aligned with the GHG Protocol and DESNZ emission factors.
 - For Scope 2, a pan-India assessment boundary was considered, and location-based emissions were reported as total Scope 2 emissions.

#As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2026 was applied to adjust Indian revenue in USD (PPP-adjusted).

8 Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Mahindra Finance has deployed some technological solutions which helps it reduce the energy consumption and therefore Scope 2 emissions. Some of the solutions have been described below:

- The installation of higher efficiency Air Conditioners i.e., previously owned 3-star fixed speed ACs are now replaced with 5-star inverter ACs at branches.
- All the new procurement of ACs is 5-star inverter ACs.
- Replacing the conventional fans with BLDC fans.
- Green tariff was procured for the head office in Kurla, Mumbai and wind power in the regional office in Chennai in FY2026.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.04	0.02
E-waste (B)	12.23*	2.97
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1.24	2.33
Total (A+B + C + D + E + F + G + H)	13.51	5.32
Waste intensity per rupee of Turnover (Total waste generated/ Revenue from operations)	0.00 per Cr of turnover	0.00 per Cr of turnover
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP) (Total Revenue waste from generated/ operations adjusted for PPP)	0.02 tonnes per million USD#	0.01 tonnes per million USD#
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Note:

*As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2026 was applied to adjust Indian revenue in USD (PPP-adjusted).

#The increase in e-waste generation during FY26 was primarily attributable to the phased replacement and disposal of desktop systems as part of the Company's technology upgradation initiative.

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste			
I	Recycled	13.51	5.32
II	Reused	-	-
III	Other recovery operations	-	-
Total		13.51	5.32

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste			
I	Incineration	0	0
II	Landfill		
III	Other disposal methods		
Total			
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		SGS India	

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Mahindra Finance operates in the financial services sector and does not generate any hazardous and toxic chemicals waste.

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of roject	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable; as the Company is a financial services company and does not manufacture any products						

13 Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is in compliance with all applicable environmental laws, regulations, and guidelines in India. Air emissions from DG sets are monitored as per the Air (Prevention and Control of Pollution) Act requirements.

The wastewater is also disposed of through authorised municipal channels. A legal compliance register is maintained and reviewed on a quarterly basis to ensure ongoing adherence to environmental regulations.

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

LEADERSHIP INDICATORS

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area -
- (ii) Nature of operations -
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter		FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Water withdrawal by source (in kilolitres)		NA	NA
To Surface water			
To Groundwater			
To Seawater			
Sent to third-parties			
Others			
Total volume of water withdrawal (in kilolitres)			
Total volume of water consumption (in kilolitres)			
Water intensity per rupee of turnover (Water consumed/turnover)			
Water intensity (optional) – the relevant metric may be selected by the entity			
Water discharge by destination and level of treatment (in kilolitres)		NA	NA
To Surface water	NA		
	NA		
To Groundwater	No treatment		
	With treatment – please specify level of treatment		
To Seawater	No treatment		
	With treatment – please specify level of treatment		
Sent to third-parties	No treatment		
	With treatment – please specify level of treatment		
Others	No treatment		
	With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		NA	NA
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes – SGS India	
Note: All water obtained is sourced from third parties (municipality, landlord facilities and/or equivalent) and primarily used for drinking and flushing purposes. The Company does not abstract water from any water-stressed areas.			

2 Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	unit	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	8,611.43	7,758.45

Total Scope 3 emissions per rupee of turnover	Metric tonnes per turnover	0.47 tCO ₂ e per Cr of turnover	0.48 tCO ₂ e per Cr of turnover
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	Tonnes Emission per employee	0.32 tonnes/employee	0.27 tonnes/employee
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		SGS India	
Note: As per the International Monetary Fund (IMF) and industry guidance notes on BRSR by FICCI and CII, the implied Purchasing Power Parity (PPP) conversion rate for India in 2026 was applied to adjust Indian revenue in USD (PPP-adjusted).			
3	With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities		NA
4	If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:		
S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
A	Energy Efficient Technology: The Company's adoption of energy-efficient technologies has been highlighted under sections P2 (E1), P6(E8).	The Company strengthened its energy efficiency initiatives through the adoption of technologies such as BLDC fans, energy-efficient HVAC systems, and 5-star BEE-rated equipment, supporting reduced operational energy consumption.	The implementation of these technologies has contributed to a 10% reduction in grid electricity consumption compared to FY2025 and 8% reduction compared to baseline values (FY2023).
B	Green Tariff Programme	In addition, Mahindra Finance initiated a Green Tariff Programme in FY2025 for its Corporate Office in Mumbai and further expanded renewable energy procurement through wind energy sourcing for its Chennai circle office in FY2026. The Company intends to gradually extend the programme to additional offices, subject to regulatory feasibility and approvals from respective State DISCOMs.	

5	Does the entity have a business continuity and disaster management plan? Give details in words/web link.	Mahindra Finance has a formal Business Continuity Policy aimed at safeguarding the interests of its customers, employees, and stakeholders. The policy defines procedures for identifying, monitoring, reporting, and responding to potential disruptions. It focuses on ensuring operational resilience and outlines contingency measures for significant or prolonged interruptions. The framework also includes internal controls, communication protocols, and restoration strategies to minimize downtime and protect critical functions. Regular reviews and simulations are conducted to validate preparedness and enhance response capabilities.
6	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?	None; due to the nature of MMFSL's operations—primarily office-based financial services—there are no adverse environment impacts identified.
7	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	
8	How many Green Credits have been generated or procured	
	a.) By the listed entity	
	b.) By the top ten (in terms of value of purchases and sales, respectively) value chain partners	NA

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1a	Number of affiliations with trade and industry chambers/associations.	Mahindra Finance maintains affiliations with several trade and industry chambers and associations to foster collaborative engagement across the financial services sector. Notably, Mr. Raul Rebello, MD & CEO, serves as a Non-Executive Director on the Board of the Finance Industry Development Council (FIDC), the Self-Regulatory Organisation (SRO) for NBFCs, reflecting the Company's active leadership role within the sector.
		These affiliations enable the Company to:
		- Access industry knowledge and best practices - Build strategic networks and improve brand visibility - Participate in policy advocacy and sectoral consultations - Contribute to business-enabling reforms that also support broader societal goals
		These platforms serve as vital forums for advocacy, education, marketing, and collaborative problem-solving.

1b List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to, in the following format.

S. No.	Name of the trade and industry chambers/associations	Details of the initiative (Web-link, if any, may be provided along-with summary)
1	Finance Industry Development Council (FIDC)	National
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Confederation of Indian Industry (CII)	National
4	Bombay Chamber of Commerce and Industry	National
5	IITB-Washington University	International
6	IMC Chamber of Commerce & Industry	National
7	Assocham	National
8	United Nations Global Compact Network	International
9		
10		

2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
			No material instances reported

LEADERSHIP INDICATORS

1 Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/Others - please specify)	Web Link, if available
					NA

P8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
						No SIA projects undertaken in the reporting period

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
						No R&R program has been undertaken in the reporting period

3 Describe the mechanisms to receive and redress grievances of the community. The Corporate ombudsman is the focal point responsible for addressing human rights. Contact details for the same are available in our Human Right's Policy.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers

Category	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
Directly sourced from MSMEs/small producers	18.41%	15.22%
Sourced directly from within the district and neighbouring districts	NA	NA

Note: Mahindra Finance is a service-based company that is not involved in large-scale procurement and transportation of physical goods. Any goods procured by the Company are largely consumed in MMFSL offices. MMFSL prefers to obtain such goods from local sources i.e. within the same or neighbouring districts of an existing MMFSL office.

5 Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY (2025-26) (Current Financial Year)	FY (2024-25) (Previous Financial Year)
	% of Job creation	% of Job creation
Rural	0.06%	0.09%
Semi-urban	13.39%	8.42%
Urban	27.29%	40.75%
Metropolitan	59.26%	50.74%

Note: The job creation data methodology has been updated in FY2025 to align with Reserve Bank of India (RBI) population classification and 2011 Census. The methodology has been reviewed and updated in FY2026 to better capture the rural and semi-urban classification of smaller offices resulting in more granular data presented in both reported financial years.

LEADERSHIP INDICATORS

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

S. No.	Details of negative social impact identified	Corrective action taken
		Nil

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S. No.	State	Aspirational District	Amount spent (In INR)
1	Andhra Pradesh	Alluri Sitharamaraju	27,75,455
2	Andhra Pradesh	Parvathipuram Manyam	8,455
3	Andhra Pradesh	Y.S.R. Kadapa	76,099
4	Assam	Baksa	8,455
5	Assam	Barpeta	1,24,918
6	Assam	Darrang	74,185
7	Assam	Dhubri	25,366
8	Assam	Goalpara	38,129
9	Bihar	Aurangabad	41,813
10	Bihar	Banka	1,28,138
11	Bihar	Begusarai	1,29,486
12	Bihar	Gaya	1,67,253
13	Bihar	Jamui	44,511
14	Bihar	Katihar	1,29,022
15	Bihar	Khagaria	63,394
16	Bihar	Muzaffarpur	48,64,420
17	Bihar	Nawada	82,278
18	Bihar	Sheikhpura	47,209
19	Bihar	Sitamarhi	40,76,511
20	Chhattisgarh	Bastar	8,455
21	Chhattisgarh	Kanker	59,188
22	Chhattisgarh	Kondagaon	8,455
23	Chhattisgarh	Narayanpur	37,767
24	Chhattisgarh	Rajnandgaon	43,162
25	Chhattisgarh	Sukma	94,417
26	Gujarat	Dahod	7,59,384
27	Gujarat	Narmada	1,17,347
28	Jharkhand	Bokaro	2,42,787
29	Jharkhand	Chatra	47,209
30	Jharkhand	Garhwa	1,95,941
31	Jharkhand	Giridih	86,324
32	Jharkhand	Godda	2,37,392
33	Jharkhand	Palamu	67,441
34	Jharkhand	Ramgarh	47,209
35	Jharkhand	Ranchi	10,88,959
36	Madhya Pradesh	Barwani	616
37	Madhya Pradesh	Chhatarpur	3,46,674
38	Madhya Pradesh	Damoh	61,037
39	Madhya Pradesh	Guna	1,45,592
40	Madhya Pradesh	Vidisha	69,493
41	Maharashtra	Gadchiroli	4,84,225
42	Maharashtra	Nandurbar	4,93,667
43	Maharashtra	Osmanabad	4,65,051
44	Maharashtra	Washim	1,29,486

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S. No.	State	Aspirational District	Amount spent (In INR)
45	Odisha	Balangir	3,43,426
46	Odisha	Dhenkanal	2,53,578
47	Odisha	Gajapati	72,836
48	Odisha	Koraput	2,61,671
49	Odisha	Rayagada	4,37,017
50	Punjab	Moga	1,15,40,668
51	Rajasthan	Jaisalmer	8,455
52	Rajasthan	Karauli	8,455
53	Rajasthan	Sirohi	16,911
54	Tamil Nadu	Ramanathapuram	3,67,241
55	Tamil Nadu	Virudhunagar	5,47,620
56	Uttar Pradesh	Bahraich	2,31,010
57	Uttar Pradesh	Chandauli	55,302
58	Uttar Pradesh	Fatehpur	2,69,763
59	Uttar Pradesh	Shravasti	92,22,000
60	Uttar Pradesh	Sonbhadra	94,417
61	Uttarakhand	Haridwar	25,366
62	Uttarakhand	Udham Singh Nagar	8,455

3 a Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) Mahindra Finance is a financial service provider and therefore does not have any large scale procurement of goods. We give preference to local suppliers of goods and services where possible.

b From which marginalized/vulnerable groups do you procure? Mahindra Finance does not classify its suppliers based on marginalised / vulnerable groups. 100% of our procurement comes from local sources, defined for the purpose of BRSR as the country of operations (India). Additionally, 18.41% of the value of goods and services procured in reporting period are from MSMEs.

c What percentage of total procurement (by value) does it constitute?

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				NA

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

S. No.	Name of authority	Brief of the case	Corrective action taken
			NA

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Dhan Samvaad - Financial & Digital Literacy Program	2,77,174	100%
2	Saksham Scholarship	4,435	100%
3	Employability Skill Training	1,270	100%
4	Water Conservation	2,500	100%
5	Tree Plantation	95	100%
6	Corporate Contribution	471	100%
7	Mahindra Hariyali	1,447	100%
8	Mahindra Pride Classroom	83,561	100%
9	Mahindra Pride Skill Centers	1,000	100%
10	Nanhi Kali	20,000	100%
	Total	3,91,953	100%

P9 Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback. Customers can contact the Company via a dedicated toll-free number, email address, mobile app, web or through social media channels. Each branch captures complaints via walk-ins or branch QR codes. All complaints received through the channels are registered on the service portal and assigned to the respective teams or Single Points of Contact (SPOCs) basis the contract allocation and category-based logic for resolution. Once a complaint is resolved via call, physical meet or email, feedback is collected from the customer in the form of an SMS.

2 Turnover of products and/services as a percentage of turnover from all products/service that carry information about: As a percentage to total turnover

Environmental and social parameters relevant to the product	
Safe and responsible usage	NA
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

Category	FY (2025-26) (Current Financial Year)			FY (2024-25) (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	52,574	911		0	0	

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5	Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	Yes. Mahindra Finance has established a robust framework through its Data Privacy Policy and Information & Cyber Security Policy, which collectively govern the collection, processing, storage, and protection of personal and sensitive information. These policies are aligned with Digital Personal Data Protection 2023 rules, guidelines and regulations including the Aadhaar Act, and are designed to ensure the confidentiality, integrity, and availability of customer and stakeholder data. Key controls include: • Explicit customer consent mechanisms • Data masking protocols • A structured Data Loss Prevention (DLP) framework The Company also maintains an Information Security Management System (ISMS) in accordance with industry best practices. Policy Link: https://www.mahindrafinance.com/about-us/policies

6	Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.	With reference to consumer complaints pending resolution at end of financial year as provided in BRSR P9E3: • Corrective actions have been undertaken for each category (behavioural, bureau or mandate-related) including soft skill and fair practices training for employees, bulk data rectification to prevent recurrence, and re-runs of payment platform failures to troubleshoot successful clearance scenarios. • Continuous root cause analyses are being conducted on complaint drivers to enhance customer experience and prevent future occurrences.

7	Provide the following information relating to data breaches:	
a	Number of instances of data breaches	0
b	Percentage of data breaches involving personally identifiable information of customers	0
c	Impact, if any, of the data breaches	NA

LEADERSHIP INDICATORS

1	Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).	Information on Mahindra Finance's products and services is available through the following platforms: • Official website: https://www.mahindrafinance.com • Mobile applications: Mahindra Finance App (available on Google Play Store and Apple App Store) • Call Centre: 1800 233 1234 • Branch network: Information is accessible at all Mahindra Finance branches
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	Mahindra Finance undertakes multiple initiatives to educate consumers on the responsible use of its products and services. These include: • Multi-language SMS communication • IVR messaging • Informative videos • In-app notifications
3	Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.	Mahindra Finance has a communication framework in place to inform consumers in case of service disruptions. Communication modes are selected based on the scale of disruption and may include: • Branch-level communication • SMS, emails, and in-app notifications
4	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	NA. We conduct Market Research from time to time to understand the pulse of our customers, their satisfaction with our products & services as well as grievances. Few of the Research Projects that we undertake are: • Monthly Net Promoter Score (NPS) for our customers • UI/UX Research for our Website & Apps • Customised Research for our Products & Services
5	Provide the following information related to data breaches: • Number of instances of data breaches along with impact • Percentage of data breaches involving Personally Identifiable Information (PII) of customers	• No customer data breaches were identified. • 0% of data breaches involving PII of customer



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INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to Mahindra & Mahindra Financial Services Limited on its BRSR Report for the FY 2025-26

The Board of Directors,

Mahindra & Mahindra Financial Services Limited ,
Mahindra Towers,
3rd Floor, Dr. G.M. Bhosale Marg,
Worli, Mumbai- 400018, India.

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as ‘SGS India’) was engaged by Mahindra & Mahindra Financial Services Limited (the ‘Company’ or ‘MMFSL’) to conduct an independent assurance of the Company’s Business Responsibility and Sustainability Reporting (BRSR) (the ‘Report’) pertaining to the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for BRSR core and Limited level for non-core parameters, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with “International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared in reference to following:

- 1. Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities (Circular No. HO/49/14/14(7)2025-CFD-POD2//3762/2026), dated 30 January 2026 circular (BRSR Core Framework for Assurance).
- 2. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Mahindra & Mahindra Financial Services Limited’s Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance w.r.t BRSR core parameters under 9 ESG Attributes and a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators. This engagement was performed



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in accordance with the International Standard on Assurance Engagement (ISAE) 3000(revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a Reasonable Level of Assurance, which represents a high level of assurance in accordance with ISAE 3000 (Revised). Our process involved obtaining sufficient and appropriate evidence to support our conclusion that the information presented in the report is fairly stated and free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Mahindra & Mahindra Financial Services Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include Mahindra & Mahindra Financial Services Limited ‘s spread across the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, BRSR non-core indicators and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIS.

Limitations

SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in “Findings and Conclusions.”
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company’s statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.



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Findings and Conclusions:

BRSR Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (Annexure A), is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements.

BRSR Non-Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the data reported (Annexure B) in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

Annexure A

S.No.	BRSR Core Attributes	BRSR Core Indicators (Reasonable)
1	Greenhouse gas (GHG) footprint	≈ Total Scope 1 emissions ≈ Total Scope 2 emissions ≈ GHG Emission Intensity (Scope 1 +2)
2	Water footprint	≈ Total water withdrawn ≈ Total water consumption ≈ Water consumption intensity ≈ Water Discharge by destination and levels of Treatment
3	Energy footprint	≈ Total energy consumed ≈ % of energy consumed from renewable sources ≈ Energy intensity
4	Embracing circularity	≈ E-waste ≈ Battery waste ≈ Total waste generated ≈ Waste intensity ≈ Total waste recovered through recycling, re-using or other recovery operations ≈ Total waste disposed by nature of disposal method
5	Employee well-being and safety	≈ Spending on measures towards well-being of employees as a % of total revenue from operations of the Company ≈ Details of safety related incidents for employees
6	Enabling gender diversity in business	≈ Gross wages paid to females as % of total wages paid ≈ Complaints on POSH
7	Enabling inclusive development	≈ Input material sourced from MSMEs/ small producers as % of total purchases directly sourced from MSMEs/ small producers and directly from within India ≈ Job creation in smaller towns - Wages paid to people employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	≈ Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events ≈ Number of days of accounts payable
9	Open-ness of business	≈ Concentration of purchases & sales done with trading houses, dealers, and related parties ≈ Loans and advances & investments with related parties



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Annexure B

The list of BRSR Report (Core + Non-Core) Indicators that were verified within this assurance engagement is given below:

Principles	Limited		
	Essential Indicators	Leadership Indicators	Core Indicators
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	-	-	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1	-	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1,2, 3,4,5,8,9,1012,13	1,2,3,4,5	1(C),11
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.	1,2		-
Principle 5: Businesses should respect and promote human rights.	1,2,3(a),4,5,6,7,8,9	-	3 (b),7
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	6	2	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	-	-	-
Principle 8: Businesses should promote inclusive growth and equitable development.	-	6	4,5
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	3	-	7

For and on behalf of SGS India Private Limited

Kalpesh Thombare

Technical Reviewer
National Manager – ESG & Sustainability Services, SGS India.

08 June,2026.

Namrata Kamble

Lead Verifier
Sr. Technical Associate - ESG & Sustainability Services, SGS India

Team Member – Nakshatra Shinde

08 June,2026.

Financial Statements



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, 2026, 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, 2026, 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.

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, 2026. 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

(Refer Note 2.5 (ii) for material accounting policies and Note 49.2 for credit risk disclosures)

As at March 31, 2026, the Company has reported gross loan assets of ₹ 1,34,096.05 crores against which an impairment loss of ₹ 3,935.91 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'.

Our audit included assessing the appropriateness of management's judgement 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.

Key Audit Matter	How our audit addressed the key audit matter
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. - Factoring in forward looking scenario-based assessment of evolving domestic macroeconomic factors and regulatory, geopolitical developments impacting industry and specific segments. 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. 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.	- 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 49 "Financial Risk Management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework. 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.

Key Audit Matter	How our audit addressed the key audit matter
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.	- 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 check 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) 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 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;

- 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 Statement.

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, 2026 and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. 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.
17. 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.
18. 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, 2026 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, 2026 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:
- 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, 2026;
 - ii. The Company, as detailed in Note 47 to the Standalone Financial Statements, has made provision as at March 31, 2026, 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, 2026. 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 37 (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 37 (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 is 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 for one accounting software wherein master level logs were enabled from July 02, 2025, eleven accounting software (including two software migrated during the year) wherein, the audit trail logs were not maintained at database level throughout the year and two accounting software wherein, the limited audit trail logs were enabled from March 02, 2026 to log 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 apart from the exceptions mentioned above.

For M M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No.: 044577
UDIN: 26044577RMJDJH3777

Place: Mumbai
Date: April 24, 2026

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No.: 041037
UDIN: 26041037SXSNEWS7637

Place: Mumbai
Date: April 24, 2026

Annexure I

Referred to in Paragraph 17 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, 2026

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 deeds of the immovable properties 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, 2026 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 ₹ 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 which have been filed by the Company with such banks and financial institutions as compared to the books of accounts maintained by the Company. For the return/statement for the quarter ended March 31, 2026 the date of submission is not due till the date of this report. 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 Direction 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, 2026

Particulars - Days Past Due	Total amount due (₹ in Crores)
1-30 days	460.07
31-90 days	765.76
More than 90 days	2,064.51
Total	3,290.34

- 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 ₹ 2,064.51 Crores as at March 31, 2026 in respect of 1,11,697 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.

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
GST - Uttar Pradesh	Goods & Services Tax	22.82	FY 2017-18 to FY 2019-20	Allahabad High Court, Lucknow Bench
GST - Maharashtra	Goods & Services Tax	0.93	FY 2018-19 to FY 2021-22	GST Appellate Tribunal (Appeal is pending to be filed)
Service Tax	Service Tax	97.02	FY 2007-08 to FY 2014-15	Customs, Excise & Service Tax Appellate Tribunal
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	0.08	FY 2013-14 to FY 2016-17	Appellate Authority of Commercial Taxes, Bhopal
VAT - Maharashtra	Value Added Tax	39.96	FY 2010-11, FY 2012-13 to FY 2015-16	Maharashtra Sales Tax Tribunal
VAT - Maharashtra	Value Added Tax	3.53	FY 2011-12	Deputy Commissioner of Sales Tax (Appeals)

- 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 a 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.

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
VAT - Rajasthan	Value Added Tax	1.16	FY 2006-07 to FY 2014-15	Supreme Court
Income Tax	Income Tax Act, 1961	410.89	FY 2016 -17	Jurisdictional Assessing Officer (JAO)
Income Tax	Income Tax Act, 1961	2.28	FY 2017 -18	Commissioner of Income Tax (Appeals)
Income Tax	Income Tax Act, 1961	8.56	FY 2018 -19	Income Tax Appellate Tribunal (Appeals)

- 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.

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 other than by way of rights issue. In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of rights issue offer for the purposes for which they were raised.

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 ₹ 6.61 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. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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 5 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.

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
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No.: 044577
UDIN: 26044577RMJDJH3777

Place: Mumbai
Date: April 24, 2026

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No.: 041037
UDIN: 26041037SXSNEWS7637

Place: Mumbai
Date: April 24, 2026

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, 2026

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 18(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, 2026, we have audited the internal financial controls with reference to Standalone Financial Statements of the Company as at that date.
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.

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.

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.

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, 2026, 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
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No.: 044577
UDIN: 26044577RMJDJH3777

Place: Mumbai
Date: April 24, 2026

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No.: 041037
UDIN: 26041037SXSNEWS7637

Place: Mumbai
Date: April 24, 2026

Standalone Balance Sheet

As at March 31, 2026

₹ in crore			
Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	391.22	1,666.56
b) Bank balance other than (a) above	4	6,949.26	3,869.31
c) Derivative financial instruments	5	402.60	30.95
d) Receivables			
- Trade receivables	6	86.12	53.02
e) Loans	7	1,30,160.14	1,16,214.02
f) Investments	8	6,820.37	10,400.48
g) Other financial assets	9	222.10	247.53
		1,45,031.81	1,32,481.87
Non-financial Assets			
a) Current tax assets (Net)		438.64	601.68
b) Deferred tax assets (Net)	10 (i)	654.12	640.99
c) Property, Plant and Equipment	11 (a)	939.31	876.38
d) Capital work-in-progress	11 (b)	1.65	0.52
e) Intangible assets under development	12 (a)	5.42	65.10
f) Other Intangible assets	12 (b)	248.37	172.89
g) Other non-financial assets	13	585.95	708.75
		2,873.46	3,066.31
Total Assets		1,47,905.27	1,35,548.18
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	6.85	390.05
b) Payables	15		
l) 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		855.51	1,208.56
Il) Other payables			
i) total outstanding dues of micro enterprises and small enterprises		5.72	2.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		34.00	17.62
c) Debt securities	16	26,539.06	26,204.83
d) Borrowings (Other than debt securities)	17	74,240.03	69,734.92
e) Deposits	18	14,196.03	11,404.15
f) Subordinated liabilities	19	5,359.74	5,529.57
g) Other financial liabilities	20	1,128.02	790.60
		1,22,364.96	1,15,283.01
Non-Financial Liabilities			
a) Current tax liabilities (net)		158.87	69.73
b) Provisions	21	407.22	217.04
c) Other non-financial liabilities	22	215.52	166.17
		781.61	452.94
EQUITY	23		
a) Equity share capital		277.91	246.98
b) Other equity		24,480.79	19,565.25
		24,758.70	19,812.23
Total Liabilities and Equity		1,47,905.27	1,35,548.18
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
ICAI FRN: 107122W/W100672

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

Sanjay Khemani
Partner
ICAI Membership No: 044577

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

Mumbai
April 24, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

₹ in crore			
Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations			
i) Interest income	24	17,211.69	15,331.41
ii) Dividend income		177.32	15.46
iii) Rental income		174.86	153.45
iv) Fees, charges and commission income	25	854.39	510.59
v) Net gain/(loss) on fair value changes	26	27.33	6.14
vi) Net gain on derecognition of financial instruments under amortized cost category		-	1.90
I Total revenue from operations		18,445.59	16,018.95
II Other income	27	54.69	55.74
III Total income (I+II)		18,500.28	16,074.69
Expenses			
i) Finance costs	28	8,392.05	7,898.30
ii) Fees and commission expense		139.87	97.84
iii) Impairment on financial instruments	29	2,441.22	1,617.86
iv) Employee benefits expenses	30	2,054.17	1,903.13
v) Depreciation, amortization and impairment	31	342.68	273.42
vi) Other Expenses	32	1,340.33	1,136.87
IV Total expenses		14,710.32	12,927.42
V Profit before exceptional items and tax (III-IV)		3,789.96	3,147.27
VI Exceptional items	33	(117.33)	-
VII Profit before tax (V+VI)		3,672.63	3,147.27
VIII Tax expense:	10 (ii)		
(i) Current tax		923.02	779.45
(ii) Deferred tax		(34.89)	22.78
(iii) (Excess)/Short Provision for Income Tax - earlier years		2.27	-
		890.40	802.23
IX Profit for the year (VII-VIII)		2,782.23	2,345.04
X Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefit plans		(22.34)	(9.99)
- Net gain/(loss) on equity instruments through OCI		28.58	84.26
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	(1.57)	(18.69)
Subtotal (A)		4.67	55.58
(B) (i) Items that will be reclassified to profit or loss			
- Net gain/(loss) on debt instruments through OCI		(22.52)	96.49
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		102.74	(62.23)
(ii) Income tax relating to items that will be reclassified to profit or loss		(20.19)	(8.62)
Subtotal (B)		60.03	25.64
Other Comprehensive Income (A+B)		64.70	81.22
XI Total Comprehensive Income for the year (IX+X)		2,846.93	2,426.26
XII Earnings per equity share (face value ₹ 2/- per equity share)	34		
Basic (Rupees)		20.35	18.43
Diluted (Rupees)		20.33	18.43
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
ICAI FRN: 107122W/W100672

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

Sanjay Khemani
Partner
ICAI Membership No: 044577

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

Mumbai
April 24, 2026

Statement of Changes in Equity for Standalone financial statements

for the year ended March 31, 2026

Particulars	₹ in crore	
Particulars	Amount	
Issued, Subscribed and fully paid up:		
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 35)	0.10	
Balance as at March 31, 2025		246.98
Balance as at April 1 2025		246.98
Changes due to prior period errors		-
Restated balance as at April 1 2025		246.98
Changes during the year:		
Add: Fresh allotment of shares through Rights Issue during the year (refer note 39)	30.89	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 35)	0.04	
Balance as at March 31, 2026		277.91

B. Other Equity

Particulars	Reserves and Surplus					Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Total
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding					
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

B. Other Equity (Contd.)

₹ in crore										
Particulars	Reserves and Surplus					Debt instruments through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Total	
	Statutory reserve as per Section 45-1C of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding					Retained earnings
Balance as at April 1 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
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1 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
Profit/(loss) for the year	-	-	-	-	-	2,782.23	-	-	-	2,782.23
Other Comprehensive Income/(loss)	-	-	-	-	-	(16.72)	(16.85)	21.39	76.88	64.70
Total Comprehensive Income for the year	-	-	-	-	-	2,765.51	(16.85)	21.39	76.88	2,846.93
Dividend paid on equity shares (including tax thereon)	-	-	-	-	-	(903.48)	-	-	-	(903.48)
Securities premium on fresh issue of equity share capital (refer note 39)	-	-	2,965.27	-	-	-	-	-	-	2,965.27
Expenses incurred in respect of issue of equity shares	-	-	(760)	-	-	-	-	-	-	(760)
Transfers to Securities premium on exercise of employee stock options	-	-	5.51	-	(5.51)	-	-	-	-	-
Securities premium on transfer of ESOP Shares to employees from grant created out of Rights Issue	-	-	0.20	-	-	-	-	-	-	0.20
Employee stock options expired	-	-	-	0.19	(0.19)	-	-	-	-	-
Share based payment expense	-	-	-	-	14.22	-	-	-	-	14.22
Transfers to Statutory reserves	556.46	-	-	-	-	(556.46)	-	-	-	-
Balance as at March 31, 2026	3,908.81	50.00	10,158.47	798.80	17.70	9,433.67	(15.59)	105.90	23.03	24,480.79

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
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

For and on behalf of the Board of Directors

Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No F5220

Mumbai
April 24, 2026

Statement of Standalone cash flows

for the year ended March 31, 2026

Particulars	₹ in crore	
	Year ended March 31, 2026	Year ended March 31, 2025
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	3,789.96	3,147.27
Adjustments for:		
Depreciation, amortization and impairment	342.68	273.42
Impairment on financial instruments (excluding bad debts and write offs)	482.05	58.95
Bad debts and write offs	1,959.17	1,558.91
Interest expense	8,360.34	7,978.79
Interest income from loans	(16,318.73)	(14,500.50)
Interest income from other deposits with banks	(430.43)	(318.80)
Net (gain)/loss on fair value of derivative financial instruments	-	(107.25)
Unrealized foreign exchange (Gain)/loss	544.37	37.74
Share based payments to employees	15.82	7.25
Net (gain)/loss on fair value changes	(16.38)	0.85
Interest income on investments	(462.53)	(512.11)
Net gain on derecognition of Property, Plant and Equipment	(0.59)	(4.10)
Net (gain)/loss on sale of investments	(23.41)	(1.31)
Operating profit/(loss) before working capital changes	(1,757.68)	(2,380.89)
Adjustments for changes in working capital -		
Loans	(15,020.80)	(17,514.42)
Trade receivables	(33.37)	(28.42)
Other financial assets	23.06	(18.70)
Other financial liabilities	455.05	31.26
Other non-financial assets	102.72	(150.41)
Trade Payables	(333.66)	(296.00)
Other non-financial liabilities	49.35	15.50
Derivative financial instruments	(754.85)	131.08
Provisions	46.43	1.25
Cash generated from/(used in) operations before adjustments for interest received and interest paid	(17,223.75)	(20,209.75)
Interest paid	(8,265.96)	(7,630.56)
Interest received from loans	14,957.32	13,379.76
Cash generated from/(used in) operations	(10,532.39)	(14,460.55)
Income taxes paid (net of refunds)	(673.11)	(820.88)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	(11,205.50)	(15,281.43)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and intangible assets	(390.85)	(425.10)
Proceeds from sale of Property, Plant and Equipment	61.15	64.49
Proceeds from sale of investments measured at amortized cost	283.00	35.25
(Increase)/decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	-	124.98
Purchase of investments measured at FVOCI	(638.70)	-
Proceeds from sale of investments measured at FVOCI	1,746.25	476.40
Purchase of investments measured at FVTPL	(44,453.60)	(17,823.01)
Proceeds from sale of investments measured at FVTPL	46,651.24	16,604.91
Proceeds from term deposits with banks (including margin account with banks)	2,772.38	2,492.13
Investments in term deposits with banks (including margin account with banks)	(5,789.07)	(3,406.55)
Interest received from other deposits with banks	367.06	319.99
Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	500.31	525.11
Change in Earmarked balances with banks	0.11	(0.09)
NET CASH GENERATED FROM/(USED IN) IN INVESTING ACTIVITIES (B)	1,109.28	(1,011.49)

Statement of Standalone cash flows

for the year ended March 31, 2026

Particulars	₹ in crore	
	Year ended March 31, 2026	Year ended March 31, 2025
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity shares, including securities premium (net of issue expenses)	2,988.56	-
Proceeds from borrowings through Debt Securities	18,082.82	27,048.97
Repayment of borrowings through Debt Securities	(17,577.67)	(28,613.08)
Proceeds from Borrowings (Other than Debt Securities)	46,314.61	42,239.22
Repayment of Borrowings (Other than Debt Securities)	(42,287.57)	(27,105.20)
Proceeds from borrowings through Subordinated Liabilities	-	1,500.00
Repayment of borrowings through Subordinated Liabilities	(174.82)	(274.04)
Increase/(decrease) in Public deposits (net)	2,485.71	3,733.33
Payments of lease liability	(107.28)	(102.41)
Dividend paid	(903.48)	(778.38)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	8,820.88	17,648.41
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,275.34)	1,355.49
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,666.56	311.07
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	391.22	1,666.56
Components of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the year		
- Cash on hand	40.10	47.85
- Cheques and drafts on hand	9.26	16.28
- Balances with banks in current accounts	241.85	293.51
- Term deposits with original maturity up to 3 months	100.00	1,307.00
- Interest accrued on Term deposits	0.01	1.92
Total	391.22	1,666.56

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
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

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

Amarjyoti Barua
Director
[DIN: 09202472]

Pradeep Kumar Agrawal
Chief Financial Officer

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 24, 2026

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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 RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022 and affirmed the same vide its Press release dated January 16, 2025. 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/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025.

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.

The Company presents its Balance Sheet in the order of liquidity.

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorized for issue on April 24, 2026.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain 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)."

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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.

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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, 2026.

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.

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, is 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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Through 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:

Fees, charges and commission income are recognised in accordance with Ind AS 115 - Revenue from contracts with customers, when the performance obligation is satisfied and it is probable that economic benefits will flow to the Company. This includes insurance commission, foreclosure/prepayment charges, cheque bounce charges, etc.

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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) Dividend Income:

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably).

i) Net gain/(loss) on fair value changes:

The Company designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis. The gain/loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

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. PPE is assumed to have no residual value at the end of useful life, except for vehicles under operating lease where residual values are assessed on individual basis. 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 ₹ 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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.

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 except for those which are designated as hedging instruments in a hedging relationship as per Ind AS 109.

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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.

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.

Notes forming part of the Standalone Financial Statements

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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.

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. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. 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.

Notes forming part of the Standalone Financial Statements

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A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

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 - overview of general approach

Expected credit losses ('ECL') are recognised on all financial assets, i.e. loans measured at amortized cost together with loan commitments and other financial assets except those classified as FVTPL and equity instruments as per the Board approved policy. Equity instruments are not subject to impairment under Ind AS 109 - Financial Instruments.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

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.

The Company calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL

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is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is forming part of the portfolio.

LGD: Loss Given Default represents expected losses on the EAD given that the event of default had occurred, considering the time value of money on recoveries determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default had occurred.

EAD: Exposure at Default represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets.

The Company has classified its overall loan portfolio into distinct product categories based on analysis of borrower behaviour, end use of underlying assets and the risk characteristics of customers. Accordingly, the estimation of ECL allowance has been done separately for each loan portfolios such as Retail vehicle loans, Small and Medium Enterprise loans, Lease facilities, Bill discounting facilities, Whole-sale advances to dealers and other unsecured loans considering the EAD, LGD and PD of respective product categories with availability of sufficient historical data. In case of portfolios where sufficient history is not available, industry level benchmarking/proxy is used to estimate ECL allowance.

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.

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.

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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.

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 recoveries, if any 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.

The Company undertakes comprehensive review of its Expected Credit Loss (ECL) model every year by refreshing Probability of Default (PD), Loss Given Default (LGD) and other input parameters basis sufficient historical data along with updation related to latest multi-factor macro-economic growth estimates, shifts in market drivers and changes in risk profile of customer credit exposures for computation of ECL provisions for loan portfolios across various product categories.

A more detailed description of the methodology used for ECL and resultant quantitative information are covered in the 'Credit Risk Management' section of note no. 49.2.

h) 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.

b)Contributiontoprovidentfund,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.

Notes forming part of the Standalone Financial Statements

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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.

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.

Notes forming part of the Standalone Financial Statements

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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.

2.15 Provisions, contingent liabilities, contingent assets and commitments:

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.

Commitments are future liabilities for contractual obligation. The commitments are classified and disclosed as follows:

- i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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 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.

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.

Notes forming part of the Standalone Financial Statements

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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. 41.

2.17 Cash and Cash Equivalents:

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents), and short- term deposits.

2.18 Earnings per share:

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 - Earnings per Share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.19 Exceptional Items:

Exceptional items are those items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure in the financial statements is considered necessary to explain the performance of the Company.

2.20 Other Expenses:

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

2.21 Share Issue Expenses:

Incremental costs directly attributable to the issue of equity instruments (like rights issue) are recognised as a deduction from securities premium, net of tax. Other costs are recognised in profit or loss as incurred. If the proposed issue is not completed, such costs are expensed immediately.

2.22 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, 2026, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

On November 21, 2025, the Government of India notified the provisions of four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively "new Labour Codes") which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

3. Cash and cash equivalents

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Cash on hand	40.10	47.85
Cheques and drafts on hand	9.26	16.28
Balances with banks in current accounts	241.85	293.51
Term deposits with original maturity up to 3 months	100.00	1,307.00
Interest accrued on Term deposits	0.01	1.92
	391.22	1,666.56

4. Bank balances other than cash and cash equivalents

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.55	0.66
Term deposits (with original maturity - more than 3 months)		
- Free	4,484.49	2,273.95
- Under lien#	2,235.21	1,429.06
Interest accrued on Term deposits	229.01	165.64
	6,949.26	3,869.31

#Details of Term deposits - Under lien

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
	Bank balances other than cash and cash equivalents (Note 4)	Bank balances other than cash and cash equivalents (Note 4)
For Statutory Liquidity Ratio	210.00	356.00
For securitization transactions	1,963.22	982.78
Legal deposits	7.51	7.67
For Constituent Subsidiary General Ledger (CSGL) account	30.00	30.00
Other collateral deposits	24.48	52.61
Total	2,235.21	1,429.06

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

5. Derivative financial instruments

Particulars	March 31, 2026		March 31, 2025	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
Currency/interest rate derivatives hedged: (refer note 54 (III))				
Forward contracts	5,141.00	397.06	1,669.00	5.26
Interest Rate Swaps	-	-	827.70	25.69
Interest rate derivatives:				
Interest rate swaps	-	5.54	-	-
Total derivative financial instruments	5,141.00	402.60	2,496.70	30.95

6. Receivables

Particulars	March 31, 2026		March 31, 2025	
Trade receivables				
i) Secured, considered good*:				
- Lease rental receivable on operating lease transactions		5.02		3.15
Less: Impairment loss allowance		(0.10)		(0.43)
		4.92		2.72
ii) Unsecured, considered good:				
- Other income receivables		81.20		50.30
iii) Credit impaired*:				
- Subvention and other income receivables		0.60		-
		0.60		-
Less: Impairment loss allowance		(0.60)		-
		-		-
Total		86.12		53.02

*Includes amount 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Trade Receivables aging schedule

As at March 31, 2026

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	86.16	0.06	-	-	-	86.22
- credit impaired	0.60	-	-	-	-	0.60
ii) Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	86.76	0.06	-	-	-	86.82

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

As at March 31, 2025

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.

Reconciliation of impairment loss allowance on trade receivables

Particulars	March 31, 2026		March 31, 2025	
Impairment loss allowance as at beginning of the year		0.43		0.29
Net increase/(decrease) during the year		0.27		0.14
Impairment loss allowance at the end of the year		0.70		0.43

Notes forming part of the Standalone
Financial Statements

for the year ended March 31, 2026

7. Loans

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
A) Loans (at amortized cost):		
Term loans:		
- Retail loans	1,21,690.01	1,09,239.78
- Small and Medium Enterprise (SME) financing	5,740.61	4,825.83
Bills of exchange	2,349.51	1,322.71
Trade advances	3,163.21	3,197.47
Finance lease	1,152.71	1,087.23
Total (Gross)	1,34,096.05	1,19,673.02
Less: Impairment loss allowance	(3,935.91)	(3,459.00)
Total (Net)	1,30,160.14	1,16,214.02
B) i) Secured by tangible assets	1,26,418.83	1,13,499.66
ii) Secured by intangible assets	-	-
iii) Covered by bank/Government guarantees	-	11.82
iv) Unsecured#	7,677.22	6,161.54
Total (Gross)	1,34,096.05	1,19,673.02
Less: Impairment loss allowance	(3,935.91)	(3,459.00)
Total (Net)	1,30,160.14	1,16,214.02
C) i) Loans in India		
a) Public Sector	-	-
b) Others	1,34,096.05	1,19,673.02
Total (Gross)	1,34,096.05	1,19,673.02
Less: Impairment loss allowance	(3,935.91)	(3,459.00)
Total (Net) - C (i)	1,30,160.14	1,16,214.02
ii) Loans outside India		
Less: Impairment loss allowance	-	-
Total (Net) - C (ii)	-	-
Total (Net) - C (i+ii)	1,30,160.14	1,16,214.02

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 receivables from related parties details of which are given in note no 51 'Related Party Disclosure.
- 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 that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

Previous year includes loans against Fixed Deposits.

Notes forming part of the Standalone
Financial Statements

for the year ended March 31, 2026

8. Investments

Particulars	March 31, 2026				March 31, 2025			
	Amortized cost	Through OCI	At Fair Value Through profit or loss	Sub-total	Others (at cost)	Total	Amortized cost	Through OCI
Units of mutual funds	-	-	83.24	83.24	-	83.24	-	-
Government securities*	882.43	3,110.07	-	3,110.07	-	3,992.50	1,173.78	4,072.29
Debt securities -								
i) Commercial Papers	-	-	-	-	-	-	-	-
ii) Certificate of deposits	-	-	748.80	748.80	-	748.80	-	-
iii) Investment in Bonds #	25.54	302.41	-	302.41	-	327.95	25.70	457.79
iv) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)##	-	-	-	-	-	-	-	-
Equity instruments at fair value								
i) Equity investment in Smartshift Logistics Solutions Private Limited	-	129.05	-	129.05	-	129.05	-	107.36
ii) New Democratic Electoral Trust	-	0.02	-	0.02	-	0.02	-	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-	-	0.10	0.10	-	0.10	-	0.18
Investments in subsidiaries								
i) Mahindra Insurance Brokers Limited (1,03,09,280 equity shares of face value of ₹ 10/- each)	-	-	-	-	206.84	206.84	-	-
ii) Mahindra Rural Housing Finance Limited (12,09,52,678 equity shares of face value of ₹ 10/- each)	-	-	-	-	799.30	799.30	-	-
iii) Mahindra Finance CSR Foundation (1,000 equity shares of face value of ₹ 10/- each)	-	-	-	-	-	-	-	-
iv) Mahindra Ideal Finance Limited, Sri Lanka (58.20% of equity share capital)	-	-	-	-	77.97	77.97	-	-
Investments in 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	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	March 31, 2026				March 31, 2025			
	Amortized cost	Through OCI	Through profit or loss	At Fair Value	Amortized cost	Through OCI	Through profit or loss	At Fair Value
Investments in 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 ₹ 10/- each)	-	-	-	-	-	-	-	-
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 ₹ 10/- each)	-	-	-	-	-	-	-	-
Others -								
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCPs) in Smartshift Logistics Solutions Private Limited	-	26.18	-	26.18	-	19.29	-	19.29
ii) Interest accrued on Government securities	15.20	54.63	-	54.63	20.27	73.76	-	73.76
iii) Interest accrued on Bonds	0.06	6.69	-	6.69	0.06	11.76	-	11.76
Total - Gross (A)	923.23	3,629.05	832.14	4,461.19	1,219.81	4,742.27	3,002.45	7,744.72
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	923.23	3,629.05	832.14	4,461.19	1,219.81	4,742.27	3,002.45	7,744.72
Total - Gross (B)	923.23	3,629.05	832.14	4,461.19	1,219.81	4,742.27	3,002.45	7,744.72
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-	-	-
Total - Net D (A-C)	923.23	3,629.05	832.14	4,461.19	1,219.81	4,742.27	3,002.45	7,744.72

#The investments in Government securities for ₹ 882.43 crore (March 31, 2025: ₹ 1,173.78 crore) and investments in Bonds for ₹ 25.54 crore (March 31, 2025: ₹ 25.70 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 ₹ 1,000.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Security Deposits		
Gross	46.59	98.93
Less: Impairment loss allowance	(1.02)	(0.48)
Net	45.57	98.45
Excess Interest Spread on Direct Assignment	0.77	1.90
Others#		
Gross	176.94	148.13
Less: Impairment loss allowance	(1.18)	(0.95)
Net#	175.76	147.18
	222.10	247.53

includes receivables related to lease reimbursement receivable and online payment aggregators.

Reconciliation of impairment loss allowance on other financial assets:

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Impairment loss allowance as at beginning of the year	1.43	0.72
Net increase/(decrease) during the year	0.77	0.71
Impairment loss allowance at the end of the year	2.20	1.43

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

₹ in crore							
Particulars	Balance as at April 1 2024	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI	Charge/ (credit) to OCI	Balance as at March 31, 2025	(Charge)/ credit to profit and loss	Charge/ (credit) to OCI
Tax effect of items constituting deferred tax liabilities:							
- Application of EIR on financial assets	(80.19)	(14.15)	-	-	(94.34)	(21.50)	-
- Application of EIR on financial liabilities	(22.60)	-	-	-	(22.60)	-	-
- Share based payments	(6.41)	(2.51)	-	-	(8.92)	(5.62)	-
- FVTPL financial asset	(1.03)	(1.22)	-	-	(2.24)	(0.99)	-
- Others#	(87.57)	10.68	-	-	(76.90)	(64.36)	-
	(197.80)	(7.21)	-	-	(205.01)	(92.47)	-
Tax effect of items constituting deferred tax assets:							
- Provision for employee benefits	27.88	-	-	2.51	30.39	-	5.62
- Net gain/(loss) on equity instruments through OCI	-	-	-	(21.20)	(21.20)	-	(7.19)
- Derivatives	48.91	0.68	-	-	49.59	0.27	-
- ECL provision on stage 3 assets	625.98	(22.36)	-	(24.28)	579.34	90.75	-
- ECL provision on stage 1 and stage 2 assets	136.94	12.78	-	-	149.72	6.62	-
- Other provisions	49.17	(6.67)	-	15.66	58.16	29.72	(20.19)
	888.88	(15.58)	-	(27.31)	846.00	127.36	(21.76)
Net deferred tax assets	691.08	(22.78)	-	(27.31)	640.99	34.89	(21.76)

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
(a) Current tax:		
In respect of current year	923.02	779.45
In respect of prior years	2.27	-
	925.29	779.45
(b) Deferred tax:		
In respect of current year origination and reversal of temporary differences	(34.89)	22.78
	(34.89)	22.78
Total Income tax recognized in Statement of profit and loss	890.40	802.23

(iii) Income tax recognized in Other Comprehensive Income

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Deferred tax related to items recognized in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	5.62	2.51
Net gain/(loss) on equity instruments through OCI	(7.19)	(21.21)
Net fair value gain on investments in debt instruments at FVTOCI	5.67	(24.28)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(25.86)	15.66
Total Income tax recognized in Other Comprehensive Income	(21.76)	(27.31)

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(1.57)	(18.69)
Income taxes related to items that will be reclassified to profit or loss	(20.19)	(8.62)
Total	(21.76)	(27.31)

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

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Profit before tax	3,672.63	3,147.27
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	924.33	792.10

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
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	(44.63)	(3.89)
Effect of expenses/provisions not deductible in determining taxable profit		
a) Penalty (case settlement, MSME interest, other penalties)	0.28	0.06
b) Donation and CSR	12.03	14.51
c) Any other item	2.95	9.45
Effect of tax incentives and concessions (research and development and other allowances)		
a) Any Other Item	(6.83)	(7.09)
Adjustments recognised in the current year in relation to the current tax of prior years	2.27	(2.91)
Reported income tax expense	890.40	802.23
Effective tax rate	24.24%	25.49%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

11 (a) Property, Plant and Equipments

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)
₹ in crore												
GROSS CARRYING AMOUNT												
Balance as at April 1, 2024	0.81	1.09	140.13	90.93	82.54	115.32	460.53	9.94	0.14	901.44	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	1,567.24
Balance as at April 1, 2025	-	1.09	153.26	95.57	85.07	113.19	572.49	14.96	-	1,035.62	531.63	1,567.24
Additions during the year	-	-	15.41	8.13	10.37	27.39	247.81	5.24	-	314.35	78.26	392.61
Disposals/(deductions) during the year	-	-	17.07	3.05	4.23	23.89	121.07	-	-	169.31	38.62	207.93
Balance as at March 31, 2026	-	1.09	151.60	100.65	91.21	116.69	699.23	20.20	-	1,180.66	571.27	1,751.93
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
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	-	491.39	199.48	690.87
Balance as at April 1, 2025	-	0.38	112.13	74.23	65.06	58.37	178.93	2.29	-	491.39	199.48	690.87
Additions during the year	-	0.01	23.22	6.59	8.96	24.97	112.20	2.37	-	178.32	84.14	262.46
Disposals/(deductions) during the year	-	-	17.03	2.89	4.22	18.04	66.57	-	-	108.74	32.54	141.28
Impairment losses during the year###	-	-	-	-	0.03	-	0.55	-	-	0.58	-	0.58
Balance as at March 31, 2026	-	0.39	118.32	77.93	69.83	65.30	225.11	4.66	-	561.54	251.08	812.62
NET CARRYING AMOUNT												
As at March 31, 2025	-	0.71	41.12	21.34	20.01	54.82	393.57	12.67	-	544.23	332.15	876.38
As at March 31, 2026	-	0.70	33.28	22.72	21.38	51.39	474.11	15.54	-	619.12	320.19	939.31

#Secured Non-Convertible Debentures(NCDs) have pari passu charge on building situated at Chhatrapati Sambhaji Nagar erstwhile "Aurangabad" having carrying value of ₹ 0.03 crore as on March 31, 2026 (March 31, 2025: ₹ 0.03 crore).

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

###On the basis of impairment analysis done by the management, certain PPE are found to be not in use, hence impaired.

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right-of-use Assets).

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

11 (b) Capital work in progress

		₹ in crore	
Particulars	March 31, 2026	March 31, 2025	
Opening balance	0.52	0.15	
Additions	6.51	3.57	
Deductions/Adjustments	5.38	3.20	
Closing balance	1.65	0.52	

Ageing for capital work-in-progress
As at March 31, 2026

₹ in crore					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	1.65	-	-	-	1.65
Total	1.65	-	-	-	1.65

As at March 31, 2025

₹ in crore					
Particulars	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

12 (a) Intangible assets under development

		₹ in crore	
Particulars	March 31, 2026	March 31, 2025	
Opening balance	65.10	105.10	
Additions	57.71	65.10	
Deductions/Adjustments	117.39	105.10	
Closing balance	5.42	65.10	

Ageing for intangible assets under development
As at March 31, 2026

₹ in crore					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	5.42	-	-	-	5.42
Project temporarily suspended	-	-	-	-	-
Total	5.42	-	-	-	5.42

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

As at March 31, 2025

₹ in crore					
Particulars	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

12 (b) Other Intangible assets

₹ in crore	
Particulars	Computer Software
GROSS CARRYING AMOUNT	
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
Balance as at April 1, 2025	325.16
Additions during the year	155.12
Deductions during the year	15.23
Balance as at March 31, 2026	465.05
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
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
Balance as at April 1, 2025	152.27
Additions during the year	72.61
Deductions during the year	15.22
Impairment losses during the year#	7.03
Balance as at March 31, 2026	216.69
NET CARRYING AMOUNT	
As at March 31, 2025	172.89
As at March 31, 2026	248.37

The Company has not revalued its Intangible Assets.

The Company does not have any project temporarily suspended or any CWIP and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP and intangible asset under development completion schedule is not applicable.

#On the basis of impairment analysis done by the management, certain softwares are found to be not in use, hence impaired.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

13. Other non-financial assets

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Capital advances	61.60	81.67
Prepaid expenses	82.91	89.90
Balances with Government Authorities	416.86	485.80
Insurance advances	11.73	27.10
Other advances	12.85	24.28
Total	585.95	708.75

14. Derivative financial instruments

₹ in crore				
Particulars	March 31, 2026		March 31, 2025	
	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
Total (A)	-	-	241.06	47.05
Currency/interest rate derivatives hedged: (refer note 54 (III))				
Forward contracts	-	-	4,303.13	262.76
Interest Rate swaps	1,541.16	6.85	1,541.16	80.24
Total (B)	1,541.16	6.85	5,844.29	343.00
Total derivative financial instruments (A+B)	1,541.16	6.85	6,085.35	390.05

Movement in Cash Flow Hedge Reserve

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the year	(53.86)	(7.28)
Recognised on Cash Flow Hedge Reserve	102.74	(62.23)
Reclassified to profit or loss	-	-
Income Tax relating to gain/loss on the OCI	(25.87)	15.65
Total	23.01	(53.86)

15. Payables

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
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	855.51	1,208.56

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

15. Payables (Contd.)

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	5.72	2.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.00	17.62
	895.23	1,228.89

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:

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
a) Dues remaining unpaid to any supplier at the year end		
- Principal	5.72	2.71
- 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	-	-
	5.72	2.71

Trade Payables aging schedule

As at March 31, 2026

₹ 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	5.72	-	-	-	5.72
ii) Others	810.77	59.07	9.90	9.76	889.50
Total	816.49	59.07	9.90	9.76	895.22
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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

As at March 31, 2025

₹ 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	-	-	-	-	-

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

16. Debt Securities

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
At Amortized cost		
Non-convertible debentures (Secured)	19,305.00	22,974.56
Non-convertible debentures (Unsecured)	1,077.09	1,076.79
Commercial Papers (Unsecured)	6,156.97	2,153.48
Total	26,539.06	26,204.83
Debt securities in India	26,539.06	26,204.83
Debt securities outside India	-	-
Total	26,539.06	26,204.83

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 ₹ 20,024.67 crore (March 2025: ₹ 24,995.84 crore).

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

Details of Non-convertible debentures (Secured):

₹ in crore				
From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis (wholesale)				
Repayable on maturity:				
Maturing within 1 year	7.99%-8.25%	3,240.00	6.25%-9.00%	6,283.50
Maturing between 1 year to 3 years	7.05%-8.25%	7,128.50	7.90%-8.25%	6,724.23
Maturing between 3 years to 5 years	7.75%-8.48%	4,352.50	7.75%-8.48%	5,102.50
Maturing beyond 5 years	7.45%-8.00%	2,900.50	7.45%-8.00%	2,900.50
Sub-total at face value		17,621.50		21,010.73

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Details of Non-convertible debentures (Secured): (Contd.)

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Repayable in Half yearly instalments:				
Maturing within 1 year	6.35%	56.25	6.35%	112.50
Maturing between 1 year to 3 years		-	6.35%	56.25
Sub-total at face value		56.25		168.75
Total at face value (A)		17,677.75		21,179.48
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)		18,546.90		22,048.63
Less: Unamortized discounting charges		11.18		21.78
Add: Interest accrued but not due		769.28		947.72
Total amortized cost		19,305.00		22,974.56

Details of Non-convertible debentures (Unsecured):

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	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		4.00		4.30
Add: Interest accrued but not due		81.09		81.09
Total amortized cost		1,077.09		1,076.79

Details of Commercial Papers (Unsecured):

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	6.95%-7.6%	6,275.00	7.75%-8.00%	2,175.00
Total at face value		6,275.00		2,175.00
Less: Unamortized discounting charges		118.03		21.52
Total amortized cost		6,156.97		2,153.48

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

17. Borrowings (Other than Debt Securities)

Particulars	March 31, 2026		March 31, 2025	
At Amortized cost				
a) Term loans				
i) Secured -				
- from banks		55,718.10		52,998.12
- External Commercial Borrowings		5,722.28		7,022.09
- Associated liabilities in respect of securitization transactions		12,799.65		8,684.41
- Triparty repo dealing and settlement (TREPs) against Government securities		-		999.82
b) Loans from related parties				
Unsecured -				
- Inter-corporate deposits (ICDs)		-		21.64
c) Other loans and advances				
Unsecured -				
- Inter-corporate deposits (ICDs) other than related parties		-		8.84
Total		74,240.03		69,734.92
Borrowings in India		68,517.75		62,712.83
Borrowings outside India		5,722.28		7,022.09
Total		74,240.03		69,734.92

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 ₹ 60,638.08 crore (March 2025: ₹ 62,770.62 crore).

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

Details of term loans from banks (Secured)

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	6.11%-7.20%	7,111.00	7.60%-9.20%	1,601.00
Maturing between 1 year to 3 years		-	7.70%	400.00
Total for repayable on maturity		7,111.00		2,001.00
2) Repayable in instalments:				
i) Quarterly				
Maturing within 1 year	4.50%-8.25%	17,226.96	5.70%-8.95%	11,894.49
Maturing between 1 year to 3 years	4.90%-8.25%	20,957.78	5.75%-8.55%	19,015.52

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Details of term loans from banks (Secured) (Contd.)

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Maturing between 3 years to 5 years	4.90%-7.70%	1,579.57	6.40%-8.55%	4,491.13
Maturing beyond 5 years		-		-
Sub-Total		39,764.31		35,401.14
ii) Half yearly				
Maturing within 1 year	6.62%-8.2%	1,851.02	6.72%-9.05%	2,971.98
Maturing between 1 year to 3 years	6.62%-8.2%	2,498.02	7.75%-9.05%	4,951.18
Maturing between 3 years to 5 years	6.78%-6.85%	447.81	7.79%-8.60%	1,406.78
Maturing beyond 5 years		-	7.90%	50.00
Sub-Total		4,796.85		9,379.94
iii) Yearly -				
Maturing within 1 year	7.85%-9.00%	2,512.50	7.19%-9.00%	2,154.17
Maturing between 1 year to 3 years	7.85%-9.00%	1,455.00	8.30%-9.00%	3,717.50
Maturing between 3 years to 5 years		-	8.55%	250.00
Sub-Total		3,967.50		6,121.67
Total for repayable in instalments		48,528.65		50,902.75
Total (1+2) (As per contractual terms)		55,639.65		52,903.75
Less: Unamortized Finance Cost		0.20		0.25
Add: Interest accrued but not due		78.65		94.62
Total Amortized Cost		55,718.10		52,998.12

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, 2026

Particulars	Quarter ended			
	June 2025	September 2025	December 2025	March 2026
Value as per quarterly returns/statements filed with Banks	5,884.11	8,866.17	7,425.26	10,995.54
Difference due to future interest considered in Book debt statements	-	-	-	-
Difference in Overdue balance due to credits not considered in returns	67.20	35.74	46.19	51.49
Ind AS adjustments related to Effective Interest Rate (EIR)/Amortized cost	11.78	21.37	18.53	29.29
Value as per Ind AS books of account	5,963.08	8,923.28	7,489.97	11,076.32

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Year ended March 31, 2025

Particulars	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 due to future interest considered in Book debt statements	-	-	-	-
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

Details of External Commercial Borrowings (USD & JPY)

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year		-	6.61%-8.11%	1,793.49
Maturing between 1 year to 3 years	7.68%-8.22%	5,679.26	7.68%-8.22%	5,134.88
Total		5,679.26		6,928.37
Less: Unamortized Finance Cost		15.57		27.60
Add: Interest accrued but not due		58.59		121.31
Total		5,722.28		7,022.09

Details of associated liabilities related to Securitization transactions

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	4.76%-8.00%	5,480.29	4.76%-8.00%	3,454.15
Maturing between 1 year to 3 years	4.76%-8.00%	6,484.24	4.76%-8.00%	4,518.97
Maturing between 3 years to 5 years	5.10%-8.00%	802.02	6.20%-8.00%	680.90
Maturing beyond 5 years	5.10%-7.45%	17.69	6.20%-7.45%	18.79
Total		12,784.24		8,672.80
Add: Interest accrued but not due		15.41		11.61
Total		12,799.65		8,684.41

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

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year		-	6.30%-6.65%	1,000.00
Total		-		1,000.00
Add: Interest accrued but not due		-		(0.18)
Total		-		999.82

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Inter-corporate deposits (ICDs) (Related Parties)				
Repayable on Maturity				
Maturing within 1 year		-	6.25%	18.50
Total		-		18.50
Add: Interest accrued but not due		-		3.14
Total		-		21.64
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity:				
Maturing within 1 year		-	7.75%	8.50
Total		-		8.50
Add: Interest accrued but not due		-		0.34
Total		-		8.84

18. Deposits

₹ in crore

Particulars	March 31, 2026	March 31, 2025
At amortized cost		
Deposits (Unsecured)		
- Public deposits *	7,175.75	6,947.62
- Accepted from corporates	7,020.28	4,456.53
Total	14,196.03	11,404.15

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

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	5.90%-8.40%	5,811.41	5.75% - 8.45%	3,993.64
Maturing between 1 year to 3 years	5.90%-8.45%	6,850.70	5.90% - 8.45%	5,904.55
Maturing beyond 3 years	6.80%-8.45%	745.29	7.25% - 8.45%	1,028.25
Total at face value		13,407.40		10,926.45

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Details of Deposits (Unsecured) - Public deposits (Contd.)

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Less: Unamortized discounting charges		40.32		33.20
Add: Interest accrued but not due		828.95		510.90
Total amortized cost		14,196.03		11,404.15

19. Subordinated liabilities

₹ in crore

Particulars	March 31, 2026	March 31, 2025
At Amortized cost (Unsecured)		
Subordinated redeemable non-convertible debentures - private placement	2,788.57	2,967.30
Subordinated redeemable non-convertible debentures - retail public issue	2,571.17	2,562.27
Total	5,359.74	5,529.57
Subordinated liabilities in India	5,359.74	5,529.57
Subordinated liabilities outside India	-	-
Total	5,359.74	5,529.57

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

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

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
A) Issued on private placement basis -				
Repayable on maturity:				
Maturing within 1 year		-	8.90%-9.10%	175.00
Maturing beyond 5 years	7.35%-8.35%	2,712.90	7.35%-8.35%	2,712.90
Sub-total at face value (A)		2,712.90		2,887.90
B) Issued on retail public issue -				
Repayable on maturity:				
Maturing within 1 year	8.53%-9.00%	933.01		-
Maturing between 1 year to 3 years	7.90%-9.50%	784.12	7.90%-9.00%	1,380.25
Maturing between 3 years to 5 years		-	9.35%-9.50%	336.87
Maturing beyond 5 years	7.95%-8.05%	643.95	7.95%-8.05%	643.96
Sub-total at face value (B)		2,361.08		2,361.09
Total at face value (A+B)		5,073.98		5,248.99

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest rate range	Amount	Interest rate range	Amount
Less: Unamortized discounting charges		17.12		19.29
Add: Interest accrued but not due		302.88		299.87
Total amortized cost		5,359.74		5,529.57

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

Particulars	March 31, 2026	March 31, 2025
Unclaimed dividends [#]	0.55	0.66
Unclaimed matured deposits and interest accrued thereon [#]	3.46	3.82
Deposits/advances received against loan agreements	48.68	45.39
Insurance premium payable	21.09	19.81
Salary, Bonus and performance payable	3.70	6.34
Provision for expenses	258.61	258.29
Lease liabilities (refer note 41)	376.86	383.19
Amount payable under assignment of receivables	2.78	0.67
Others ^{##}	412.29	72.43
Total	1,128.02	790.60

[#]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.

^{##}Others include Credit Support Agreement (CSA) against ECB.

21. Provisions

Particulars	March 31, 2026	March 31, 2025
Provision for employee benefits		
- Gratuity (refer note 36)	139.89	27.39
- Leave encashment	85.63	81.58
- Bonus, incentives and performance pay	172.98	102.29
- Post retirement medical benefit	3.95	5.09
Provision for loan commitment	4.77	0.69
Total	407.22	217.04

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

22. Other non-financial liabilities

Particulars	March 31, 2026	March 31, 2025
Deferred subvention income	3.10	6.28
Statutory dues and taxes payable	208.16	154.34
Others *	4.26	5.55
Total	215.52	166.17

* 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.

23. Equity Share capital

Particulars	March 31, 2026	March 31, 2025
Authorized:		
2,50,00,00,000 (March 31, 2025: 2,50,00,00,000) Equity shares of ₹ 2/- each	500.00	500.00
50,00,000 (March 31, 2025: 50,00,000) Redeemable preference shares of ₹ 100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
1,38,99,71,160 (March 31, 2025: 1,23,55,29,920) Equity shares of ₹ 2/- each fully paid up	277.99	247.11
Less: 4,25,999 (March 31, 2025: 6,68,537) Equity shares of ₹ 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	0.08	0.13
Adjusted Issued, Subscribed and paid-up Share capital	277.91	246.98

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in crore	No. of shares	₹ in crore
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid-up:				
Balance at the beginning of the year	1,23,55,29,920	247.11	1,23,55,29,920	247.11
Add: Fresh allotment of shares:				
- Through Rights Issue (refer note 39)	15,44,41,240	30.89	-	-
Balance at the end of the year	1,38,99,71,160	277.99	1,23,55,29,920	247.11
Less: Shares issued to ESOP Trust but not yet allotted to employees	4,25,999	0.08	6,68,537	0.13
Adjusted Issued, Subscribed and paid-up Share capital	1,38,95,45,161	277.91	1,23,48,61,383	246.98

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in crore	No. of shares	₹ in crore
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	72,95,82,599	145.92	64,43,99,987	128.88
Percentage of holding (%)	52.49%		52.16%	
c) Shareholders holding more than 5 percent of the aggregate shares:				
Mahindra & Mahindra Limited	72,95,82,599	145.92	64,43,99,987	128.88
Percentage of holding (%)	52.49%		52.16%	
Life Insurance Corporation of India	14,35,44,354	28.71	12,65,03,313	25.30
Percentage of holding (%)	10.33%		10.24%	
SBI Mutual Fund	7,55,65,245	15.11	5,48,62,123	10.97
Percentage of holding (%)	5.44%		4.44%	
HDFC Mutual Fund	7,19,70,252	14.39	7,08,08,951	14.16
Percentage of holding (%)	5.18%		5.73%	

d) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

Name of the Promoter	Shares held by Promoters as at March 31, 2026			Shares held by Promoters as at March 31, 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Mahindra & Mahindra Limited	72,95,82,599	52.49%	0.33%	64,43,99,987	52.16%	-

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity):

Statutory reserve as per Section 45-IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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:

Particulars	Nature and purpose	₹ in crore	
		March 31, 2026	March 31, 2025
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.	3,908.81	3,352.35
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, rights issue in accordance with the provisions of the Companies Act, 2013.	10,158.47	7,195.09

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Elements of Other Equity with balance: (Contd.)

		₹ in crore	
Particulars	Nature and purpose	March 31, 2026	March 31, 2025
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.	798.80	798.61
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.	17.70	9.18
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.	9,433.67	8,128.10
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.	(15.59)	1.26
- 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.	105.90	84.51
- 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.	23.03	(53.85)
Total		24,480.79	19,565.25

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Dividend distributions made and proposed

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

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Dividend paid		903.48	778.38
Profit for the relevant year		2,345.04	1,759.62
Dividend as a percentage of profit for the relevant year		38.50%	44.20%

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

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Face value per share (Rupees)		2.00	2.00
Dividend percentage		375%	325%
Dividend per share (Rupees)		7.50	6.50
Total Dividend on Equity shares (a)		1,042.48	903.48
Profit after tax for the relevant year (b)		2,782.23	2,345.04
Dividend proposed as a percentage of profit after tax (a/b)		37.50%	34.20%

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

24. Interest income

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
On financial instruments measured at Amortized cost (refer note 2.6)			
Interest on loans		15,989.46	14,255.57
Interest on Finance lease		169.74	124.31
Income from bill discounting		159.53	120.62
Interest income from investments		215.57	224.79
Interest on term deposits with banks		430.43	318.80
On financial instruments measured at fair value through OCI (refer note 2.11 (b))			
Interest income from investments in debt instrument		246.96	287.32
Total		17,211.69	15,331.41

Note: There is no loan asset measured at FVTPL.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

25. Fees, charges and commission income

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Service charges and other fees income	338.90	280.08
Income from commission services - life insurance	314.98	149.94
Income from commission services - general insurance	167.16	61.31
Fees, commission/brokerage received from mutual fund distribution/ other products	6.69	6.77
Collection fees related to transferred assets under securitization transactions	26.66	12.49
Total	854.39	510.59

Revenue from contracts with customers

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

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Type of services or service		
Fees and commission income	854.39	510.59
Total revenue from contract with customers	854.39	510.59
Geographical markets		
India	854.39	510.59
Outside India	-	-
Total revenue from contract with customers	854.39	510.59
Timing of revenue recognition		
Services transferred at a point in time	854.39	510.59
Services transferred over time	-	-
Total revenue from contract with customers	854.39	510.59

Contract balances

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Fees, commission and other receivables	86.12	53.02
	86.12	53.02

- Impairment loss allowance recognised on contract balances is ₹ Nil (Previous year ₹ Nil)
- Contract asset as on March 31, 2026 is Nil (Previous year Nil)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

26. Net gain/(loss) on fair value changes

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Net gain/(loss) on financial instruments at FVTPL		
On trading portfolio		
- Investments	(1.20)	(0.42)
Others - Mutual fund units	28.53	6.56
Total Net gain/(loss) on financial instruments at FVTPL	27.33	6.14
Fair value changes:		
- Realized	23.41	1.31
- Unrealized	3.92	4.83
Total Net gain/(loss) on financial instruments at FVTPL	27.33	6.14

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

27. Other income

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Net gain on derecognition of Property, Plant and Equipment	0.59	4.10
Income from shared services	12.90	45.04
Others	41.20	6.60
Total	54.69	55.74

Note: Income from shared services include marketing income from insurers of Rs NIL during the year ended March 31, 2026 (March 31, 2025: ₹ 35.62 crore).

28. Finance costs

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
On financial liabilities measured at Amortized cost		
Interest on deposits	1,052.55	728.83
Interest on borrowings	4,876.60	4,484.08
Interest on debt securities	1,964.42	2,362.83
Interest on subordinated liabilities	436.63	372.01
Interest expense on lease liabilities (refer note 41)	30.14	31.04
Others		
Net loss/(gain) in fair value of derivative financial instruments	-	(107.25)
Others	31.71	26.76
Total	8,392.05	7,898.30

Note: There are no financial liabilities measured at FVTPL.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

29. Impairment on financial instruments

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
On financial instruments measured at Amortized cost		
Bad debts and write offs	1,959.17	1,558.91
Loans	477.16	57.65
Loan commitment	4.08	0.67
Trade receivables and other contracts	0.81	0.63
Total	2,441.22	1,617.86

Note: There are no financial instruments measured at FVOCI.

30. Employee benefits expenses

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Salaries and wages	1,905.67	1,754.97
Contribution to provident funds and other funds	106.70	112.25
Share based payments to employees	15.82	7.25
Staff welfare expenses	25.98	28.66
Total	2,054.17	1,903.13

31. Depreciation, amortization and impairment

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Depreciation on Property, Plant and Equipment (refer note 11)	178.90	154.62
Amortization and impairment of intangible assets (refer note 12)	79.64	36.65
Depreciation on Right of Use Asset (refer note 11 and 41)	84.14	82.15
Total	342.68	273.42

32. Other expenses

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Rent	9.41	12.61
Rates and taxes, excluding taxes on income	23.25	8.32
Electricity charges	18.37	18.18
Repairs and maintenance	12.37	11.01
Communication costs	39.69	48.07
Printing and stationery	8.43	12.80
Advertisement and publicity	22.79	26.61
Directors' fees, allowances and expenses	3.57	4.22
Auditor's fees and expenses -		
- Audit fees (including quarterly limited reviews)	1.82	1.66
- Other services	0.36	0.54

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

32. Other expenses (Contd.)

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
- Reimbursement of expenses	0.13	0.07
Legal and professional charges	162.34	154.57
Insurance	60.44	58.99
Manpower outsourcing cost	314.28	193.66
Donations	0.02	23.04
Corporate Social Responsibility (CSR) expenses (refer note 45)	47.78	34.61
Conveyance and travel expenses	141.63	147.84
Other expenses	473.65	380.07
Total	1,340.33	1,136.87

33 Exceptional items

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Statutory impact of new Labour Codes	(117.33)	-
Total	(117.33)	-

On November 21, 2025, the Government of India notified the provisions of four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively "new Labour Codes") which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.

In accordance with the new Labour Codes, the Company has currently estimated the incremental impact of Gratuity and Leave Encashment to be ₹ 117.33 crore (net of taxes ₹ 87.80 crore) on the basis of Actuarial Valuation. This has been presented under "Exceptional Items" in the standalone financial statements for the year ended March 31, 2026.

The Company continues to monitor developments on the Rules to be notified by regulatory authorities, including clarifications/additional guidance from authorities and will continue to assess the accounting implications, basis such developments/guidance.

In addition to the above, the Company has also recognised an amount of ₹ 22.72 crore in the Statement of Profit and Loss towards employee benefit expenses on account of the impact of the New Labour Code on eligible employees.

The incremental cost attributable to period post implementation of new Labour Codes has been included under Employee benefits expense for the year ended March 31, 2026.

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 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	March 31, 2026	March 31, 2025
Profit for the year (₹ in crore)	2,782.23	2,345.04
Weighted average number of Equity Shares used in computing basic EPS	1,36,72,80,940	1,27,21,07,490
Effect of potential dilutive Equity Shares	9,34,903	4,16,316
Weighted average number of Equity Shares used in computing diluted EPS	1,36,82,15,843	1,27,25,23,806
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	20.35	18.43
Diluted Earnings per share (₹)	20.33	18.43

35. Employee Stock Option Plan (ESOP)

The Company had allotted 48,45,025 Equity shares (face value of ₹ 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 ₹ 50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on August 17, 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at ₹ 50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue have remained same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the schemes by eligible employees, the Trust had issued 72,67,963 equity shares to employees up to March 31, 2026 (March 31, 2025: 70,25,425 equity shares), of which 2,42,538 equity shares (March 31, 2025: 4,75,271 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.05 crore for the year ended March 31, 2026 (March 31, 2025: ₹ 0.10 crore).

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

i) Employees Stock Option Scheme 2010

₹ in crore

Particulars	Key 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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

Mahindra and Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 ("MMFSL RSU PLAN 2023") formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 was approved by the Board of Directors in their meeting held on April 28, 2023. Following are the key terms and conditions governing the scheme.

₹ in crore

Particulars	Key Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Exercise price	The Exercise Price shall be the face value of the Share as on date of Exercise of RSUs.
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
Method of settlement	By issue of shares at exercise price

iii)MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - SUBSIDIARIES RESTRICTED STOCK UNITS PLAN 2026 ("MMFSL SUBSIDIARIES RSU PLAN 2026")

During the current financial year, the Company has formulated a new employee stock option plan, namely, 'Mahindra & Mahindra Financial Services Limited- Subsidiaries Restricted Stock Units Plan 2026' ("MMFSL Subsidiaries RSU Plan 2026") to reward the key Employees of the Subsidiary Company(ies) of the Company for their performance and motivate them to contribute to the consolidated growth and profitability of the Company, and the same was approved by the Board of Directors on January 7, 2026 and approved by the Shareholders of the Company on February 7, 2026 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. Following are the key terms and conditions governing the scheme.

₹ in crore

Particulars	Key Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Exercise price	The Exercise Price shall be the face value of the Share as on date of Exercise of RSUs.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

iii)MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - SUBSIDIARIES RESTRICTED STOCK UNITS PLAN 2026 ("MMFSL SUBSIDIARIES RSU PLAN 2026") (Contd.)

₹ in crore

Particulars	Key Terms and conditions
Authority and Ceiling	The maximum number of RSUs that may be granted to each Employee in aggregate shall vary depending upon the designation and the appraisal/assessment process, however, shall not exceed 30,00,000 (Thirty Lakhs) in number per eligible Employee. However, the Committee reserves the right to decide the number of RSUs to be granted and the maximum number of RSUs that can be granted to each Employee within this ceiling.
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	"RSUs granted under the MMFSL Subsidiaries RSU Plan 2026 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, as may be determined by the Committee. " "The vesting of RSUs would be based on achievement of performance targets of the respective Subsidiaries. The Committee would lay down the performance targets for vesting of RSUs granted to employees of subsidiaries of the Company which would include one or more of the performance parameters of the subsidiary upto 100% weightage along with certain sub-weightage assigned to each of the following parameters: a) Revenue Growth b) Market Share Growth c) Profit growth d) Cost control e) Asset quality f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance Besides the Subsidiary Company's performance parameters, vesting of RSUs may include grantee's individual performance (upto 50% of total RSUs granted), as determined by the Committee from time to time. In such instances the indicative weightages given above would be varied with the approval of the NRC. Each grant shall specify a target number of RSUs; actual vesting may range from 0% to 110% based on performance achievement.
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
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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ in crore

Particulars	Grant dated January 24, 2018	Grant dated October 24, 2018
Exercise price (₹)	2.00	2.00
Fair value of option (₹)	495.92	355.34

ii) MMFSL RSU PLAN 2023

During the year ended March 31, 2026, the Company has granted 10,36,734 stock options (March 31, 2025: 6,49,326) 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 live under MMFSL RSU PLAN 2023.

₹ in crore

Particulars	Grant dated October 28 2025	Grant dated July 22 2025	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
Exercise price (₹)	2.00	2.00	2.00	2.00	2.00
Fair value of option (₹)	269.74	228.11	262.53	246.47	246.47

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

₹ in crore

Variables#	Year ended March 31, 2026		Year ended March 31, 2025		Year ended March 31, 2024
	Grant dated October 28 2025	Grant dated July 22 2025	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
1) Risk free interest rate	6.11%	6.03%	6.64%	7.08%	7.29%
2) Expected life	4.50 years	5.50 years	4.50 years	5.50 years	4.51 years
3) Expected volatility	34.92%	47.79%	42.83%	44.27%	45.98%
4) Dividend yield	2.17%	2.47%	2.16%	2.15%	2.19%
5) Price of the underlying share in the market at the time of option grant (₹)	299.10	262.85	291.00	278.85	273.60

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

iii) MMFSL SUBSIDIARIES RSU PLAN 2026

MMFSL Subsidiaries RSU Plan 2026 is a newly formulated stock option plan and approved by the Board and shareholders during last quarter of the financial year. There were no stock options granted to employees of the subsidiary Company (ies) during the year.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	1,56,627	26.58	6,12,763	26.97
Options granted during the year	-	-	-	-
Options expired/forfeited during the year	8,532	26.66	11,350	27.45
Options cancelled/lapsed during the year	-	-	-	-
Options exercised during the year	84,049	26.43	4,44,786	27.09
Options outstanding at the end of the year	64,046	26.77	1,56,627	26.58
Options vested but not exercised at the end of the year	64,046	26.77	1,56,627	26.58

#Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at ₹ 2/- per option and adjustment options issued under Rights issue are exercisable at ₹ 50/- each, including premium of ₹ 48/- per option (being the issue price under Rights allotment).

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average exercise price (₹)	No. of stock options	Weighted average exercise price (₹)
Options outstanding at the beginning of the year	8,07,534	2.00	2,83,171	2.00
Options granted during the year	10,36,734	2.00	6,49,326	2.00
Options expired/forfeited during the year	1,177	2.00	8,804	2.00
Options cancelled/lapsed during the year#	1,20,276	2.00	85,674	2.00
Options exercised during the year	1,58,489	2.00	30,485	2.00
Options outstanding at the end of the year	15,64,326	2.00	8,07,534	2.00
Options vested but not exercised at the end of the year	69,834	2.00	36,216	2.00

#includes 47,328 options (Year ended March 31, 2025: 9,194 options) cancelled/lapsed on account of true-down effect applied on the specific tranche of respective grant/s covering all the beneficiaries due to non-achievement of specified performance parameters at the Company level 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 recognized earlier in the statement of profit and loss of current year.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

d) Information in respect of options outstanding:

Exercise price	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average remaining life	No. of stock options	Weighted average remaining life
Employee Stock Option Scheme 2010				
- At ₹ 2.00 per option	31,000	7 months	76,411	14 months
- At ₹ 50.00 per option	33,046	7 months	80,216	14 months
MMFSL RSU PLAN 2023				
- At ₹ 2.00 per option	15,64,326	80 months	8,07,534	79 months
Total	16,28,372		9,64,161	

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

As at March 31, 2026		As at March 31, 2025	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
April 01 2025 to March 31, 2026	313.88	April 01 2024 to March 31, 2025	286.73

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.

g) Compensation cost measurement and accounting

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, ₹ 15.82 crore (March 31, 2025: ₹ 7.25 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 ₹ 0.34 crore) to the holding Company of ₹ 2.35 crore (March 31, 2025: ₹ 1.68 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹ 0.75 crore (March 31, 2025: ₹ 0.09 crore) from its and holding Company's subsidiaries for options granted to their employees.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

36. 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 gratuity benefits that become payable to eligible employees on death while in service or on separation from employment after completion of the stipulated period under the Code on Social Security, 2020. 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 it's 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 ₹ 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31	
	2026	2025	2026	2025
I. Amounts recognized in the Statement of Profit & Loss				
Current service cost	16.50	17.14	0.30	-
Net Interest cost	3.58	0.63	0.35	-
Past service cost (New Labour Code impact)	96.52	-	-	5.09
Interest Income	-	-	-	-
Adjustment due to change in opening balance of Plan assets	-	-	-	-
Total expenses included in employee benefits expense	116.60	17.77	0.65	5.09
II. Amount recognized in Other Comprehensive income				
Remeasurement (gains)/losses:				
a) Actuarial gains/(losses) arising from changes in				
- demographic assumptions	1.28	(0.92)	(1.58)	-
- financial assumptions	(4.67)	3.60	(0.42)	-
- experience adjustments	27.98	11.34	0.25	-
b) Return on plan assets, excluding amount included in net interest expense/(income)	(0.50)	(4.04)	-	-
Total amount recognized in other comprehensive income	24.09	9.99	(1.75)	-
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	156.08	146.41	5.09	-
Add/(less) on account of business combination/transfers				
Current service cost	16.50	17.14	0.30	-
Past service cost (New Labour Code impact)	96.52	-	-	5.09

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Details of defined benefit plans as per actuarial valuation are as follows: (Contd.)

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31	
	2026	2025	2026	2025
Interest expense	12.19	10.53	0.35	-
Liability Transferred In/Acquisitions	0.25	-	-	-
Liability Transferred Out/Divestments	(0.11)	-	-	-
Remeasurement (gains)/losses arising from changes in -				
- demographic assumptions	1.28	(0.92)	(1.58)	-
- financial assumptions	(4.67)	3.60	(0.42)	-
- experience adjustments	27.98	11.34	0.26	-
Benefits paid	(22.38)	(32.02)	(0.05)	-
Closing defined benefit obligation	283.63	156.08	3.95	5.09
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	128.68	137.71	-	-
Interest income	8.61	9.90	-	-
Expected return on plan assets	0.51	4.04	-	-
Contributions by employer	28.18	9.05	-	-
Liability Transferred In/Acquisitions	0.25	-	-	-
Liability Transferred Out/Divestments	(0.11)	-	-	-
Actual Benefits paid	(22.38)	(32.02)	-	-
Closing Fair value of plan assets	143.74	128.68	-	-
V. Net defined benefit obligation				
Defined benefit obligation	(283.63)	(156.08)	(3.95)	(5.09)
Fair value of plan assets	143.74	128.68	-	-
Surplus/(Deficit)	(139.89)	(27.39)	(3.95)	(5.09)
Current portion of the above	(62.90)	(27.39)	(0.06)	(0.05)
Non current portion of the above	(76.99)	-	(3.89)	(5.04)
VI. Expected contribution for the next reporting year	62.90	31.65	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Actuarial assumptions and Sensitivity

Particulars	Funded Plan		Unfunded Plan	
	Gratuity		Post retirement medical benefits	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
I. Actuarial assumptions				
Discount Rate (p.a.)	6.77%	6.54%	7.59%	6.82%
Attrition rate (%)	29.26% for age up to 30 years, 20.41% for age 31-50 years, 17.60% for 51 years and above	31.08% for age up to 30 years, 22.10% for age 31-50 years, 12.24% for 51 years and above	29.26% for age up to 30 years, 20.41% for age 31-50 years, 17.60% for 51 years and above	34.08% for age up to 30 years, 22.10% for age 31-50 years, 12.24% for 51 years and above
Expected rate of return on plan assets (p.a.)	6.77%	6.54%	NA	NA
Rate of Salary increase (p.a.)	7.00%	7.00%	-	-
Medical cost inflation (p.a.)	-	-	7.00%	7.00%
Retirement Age	60 years	60 years	60 years	60 years
In-service Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Payment Mortality	-	-	Indian Individual Annuitant's Mortality Table (2012-15)	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	(9.57)	(5.46)	(0.47)	(0.66)
One percentage point decrease in discount rate	10.39	5.94	0.55	0.79
One percentage point increase in Salary growth rate	9.37	5.85	-	-
One percentage point decrease in Salary growth rate	(8.95)	(5.48)	-	-
One percentage point increase in attrition rate	(0.62)	(0.36)	(0.26)	(0.42)
One percentage point decrease in attrition rate	0.62	0.38	0.35	0.47
One percentage point increase in medical inflation rate	-	-	0.55	0.78
One percentage point decrease in medical inflation rate	-	-	(0.47)	(0.66)
III. Maturity profile of defined benefit obligation				
Within 1 year	57.33	30.96	0.06	0.05
Between 1 and 5 years	157.48	84.48	0.45	0.40
Between 6 and 10 years	101.19	55.87	1.30	1.32
11 years and above	61.32	35.72	10.87	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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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 ₹ 77.13 crore (March 31, 2025: ₹ 80.67 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:

₹ in crore		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Rate of discounting	6.77%	6.54%
Expected rate of salary increase	7.00%	7.00%
Attrition rate (%)	29.26% for age up to 30 years, 20.41% for age 31-50 years, 17.60% for 51 years and above	31.08% for age up to 30 years, 22.10% for age 31-50 years, 12.24% for 51 years and above
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Expenses recognised in statement of profit and loss [#]	2.42	10.45

[#]includes the New Labour Code impact of ₹ 20.81 crore

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2026.

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.

Actuarial assumptions and Sensitivity

₹ in crore		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Retirement Age	60 Years	60 Years
Discount Rate	6.48%	6.54%
Attrition Rate	4.00%	8.00%
Performance Measurement	99.00%	99.00%

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for the year ended March 31, 2026

Reconciliation of the Liability recognised in the Balance Sheet:

₹ in crore		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Net Liability	1.39	-
Expense recognised in the P&L	4.17	1.39
Contribution/Benefit Paid by the Company	1.96	-
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	3.60	1.39
Current portion of the above	2.21	0.86
Non Current portion of the above	1.39	0.53

The Company has not funded its long term incentive plan liability and the same continues to remain as unfunded as at March 31, 2026.

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 March 31, 2026 and March 31, 2025, 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, 2026

₹ in crore			
Name of Struck-off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2026 (₹ in crore)	Relationship with the Struck off Company, if any, to be disclosed
1 SHRUTI MOTORS PRIVATE LIMITED - MARUTI	Receivables	1.28	External
2 BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.80	External
3 AKSHARA PUBLIC SCHOOL	Receivables	0.41	External
4 SAKTHI TRAVELS PRIVATE LIMITED	Receivables	0.23	External
5 RAJ AND RAJ PVT LTD	Receivables	0.12	External
6 PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.07	External
7 DRRC INFRA PROJECTS PVT LTD	Receivables	0.07	External
8 VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.04	External
9 PRAMILA HOSPITAL	Receivables	0.03	External
10 CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.02	External

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As at March 31, 2026 (Contd.)

₹ in crore

Name of Struck-off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2026 (₹ in crore)	Relationship with the Struck off Company, if any, to be disclosed
11 SKS AUTOMOBILES INDIA PVT LTD	Receivables	-	External
12 SHRIRAM AUTOWHEELS PVT LTD	Receivables	-	External
13 RETONA MOTORS PRIVATE LIMITED	Receivables	-	External
14 EAST AFRICA MOBILES LTD - VADODARA	Receivables	-	External
15 FAIRDEAL MOTORS & WORKSHOP PVT LTD	Payables	(0.50)	External
16 CHOWDHARY MOTORS PVT LTD-JAMMU (C010211)	Payables	(0.05)	External
17 PLATINUM HOTEL (RAJKOT)	Payables	(0.00)	External
18 SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Payables	(0.00)	External
19 VMS CONSULTANTS PVT LTD	Corporate Depositor	0.70	External
20 OPTIMISTIC TRADING COMPANY PRIVATE LIMITED	Shares Held by Struck of Company	4,451*	External
21 SALASAR SECURITIES PVT LTD	Shares Held by Struck of Company	2,834*	External
22 UNICON FINCAP PRIVATE LIMITED	Shares Held by Struck of Company	689*	External
23 DREAMS BROKING PRIVATE LIMITED	Shares Held by Struck of Company	476*	External

* Number of Equity Shares

As at March 31, 2025

₹ in crore

Name of Struck-off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2025 (₹ 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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

As at March 31, 2025 (Contd.)

₹ in crore

Name of Struck-off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2025 (₹ in crore)	Relationship with the Struck off Company, if any, to be disclosed
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

- 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;

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

- 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, 2026 are fully secured by pari-passu charge on Chhatrapati Sambhaji Nagar office erstwhile "Aurangabad" (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, 2026 in respect of listed secured debt securities is 1.09 (March 31, 2025: 1.08).

38. Analytical Ratios

Particulars	As at March 31, 2026			As at March 31, 2025	% Variance	Reasons for variance (if above 25%)
	Numerator (₹ in crores)	Denominator (₹ In crores)	Ratio	Ratio		
Total Capital ratio (CRAR)	24,107.48	1,27,996.07	18.84%	18.33%	2.81%	NA
Tier - I capital ratio	21,317.98	1,27,996.07	16.66%	15.25%	9.21%	NA
Tier - II capital ratio	2,789.50	1,27,996.07	2.18%	3.08%	-29.24%	Decrease due to increase in credit enhancement for securitisation
Liquidity Coverage Ratio	4,976.43	2,223.50	224%	277%	-19.20%	NA

39. Funds raised by issue of equity shares through Rights Issue

"Pursuant to authorization of further infusion of capital through Rights Issue by the Board of Directors of the Company at its meeting held on May 2, 2025, other resolutions passed on May 8, 2025 approving the issue size, rights entitlement ratio, fixing the issue price, fixing the record date and in accordance with the provisions of the Companies Act, 2013 and the applicable Rules prescribed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Company had issued 15,44,41,240 fully paid-up equity shares of face value of ₹ 2 each for cash at a price of ₹ 194 per equity share (including a premium of ₹ 192 per equity share) aggregating to ₹ 2,996.16 crores on a rights basis to eligible equity shareholders in the ratio of one equity share for every eight fully paid-up equity share held on the record date, that is May 14, 2025. These equity shares were allotted on June 9, 2025. The Company has utilized the entire proceeds (net of issue related expenses) from the above referred Rights Issue for the purposes as stated in its 'Letter of Offer'.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹ 30.89 crores and securities premium reserve by ₹ 2,965.27 crores .Consequently, the shareholding of the Parent Company (Mahindra & Mahindra Limited) had increased from 52.16% to 52.49% post allotment of fresh equity shares under rights issue.

The share issue expenses of ₹ 7.60 crores have been adjusted against securities premium reserve as per the accounting policy.

40. 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.

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

Regulatory capital

Particulars	₹ in crore	
	Year ended March 31, 2026	Year ended March 31, 2025
Tier - I capital	21,317.98	17,835.12
Tier - II capital	2,789.50	3,602.40
Total Capital	24,107.48	21,437.51
Aggregate of Risk Weighted Assets	1,27,996.07	1,16,967.79
Tier - I capital ratio	16.66%	15.25%
Tier - II capital ratio	2.18%	3.08%
Total Capital ratio	18.84%	18.33%

"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. Free reserves includes quarterly profit subject to reducing average dividend paid in the last three years.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Further, as required under Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026, vide RBI notification no. RBI/2025-26/226 DOR.CAP.REC.No.416/21.01.002/2025-26, the Company has reduced the amount of average dividend paid in the last three years from Owned funds/Tier-1 capital in calculation of capital adequacy ratio effective from current financial year.

“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.

41. Leases

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

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

The following is the summary of practical expedients applied as allowed under Ind AS 116.

- a) Availed the exemption of not to recognize ROU assets and liabilities for leases of low value assets and leases with less than 12 months (short-term lease) of lease term on the date of initial application as at 1 April 2019 and thereafter;
- b) Excluded the initial direct costs from the measurement of the Right-of-use asset at the date of initial application as at 1 April 2019 and thereafter;

a) Maturity Analysis - Contractual Undiscounted Cash Flow:

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Less than 1 year	104.85	101.56
1 - 3 years	164.88	169.31
3 - 5 years	124.00	116.99
More than 5 years	68.77	85.90
Total undiscounted lease liabilities	462.50	473.76

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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.

Particulars	Amount for the year ended/As at	
	As at March 31, 2026	As at March 31, 2025
i) Depreciation charge for Right-of-use assets for Leasehold premises (presented under note - 31 "Depreciation, amortization and impairment")	84.14	82.15
ii) Interest expense on lease liabilities (presented under note - 28 "Finance costs")	30.14	31.04
iii) Expense relating to short-term leases (included in Rent expenses under note 32 "Other expenses")	5.10	3.56
iv) Expense relating to leases of low-value assets (included in Rent expenses under note 32 "Other expenses")	4.31	9.05
v) Payments for lease liability	107.28	102.41
vi) Additions to Right-of-use assets during the year (refer note 11)	78.26	98.60
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")	320.19	332.15
viii) Lease liabilities (presented under note - 20 "Other financial liabilities")	376.86	383.19

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 upto 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.

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Other details are as follows:

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
i) New vehicles to retail customers on operating lease -		
Gross carrying amount	699.23	571.59
Depreciation for the year	112.20	86.62
Accumulated Depreciation	225.11	178.05
Impairment losses for the year	0.55	-
Accumulated impairment	-	-
ii) Used and refurbished vehicles to travel operators/taxi aggregators		
Gross carrying amount	-	0.90
Depreciation for the year	-	0.01
Accumulated Depreciation	-	0.87
Impairment losses for the year	-	-
Accumulated impairment	-	-

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

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
New vehicles to retail customers on operating lease -		
Not later than one year	139.11	124.58
Later than one year but not later than five years	247.40	225.38
Later than five years	-	0.01
	386.51	349.97

III) In the cases where assets are given on finance lease (as lessor) -

Reconciliation of undiscounted lease payment to net investment:

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Gross Investment	1,316.76	1,090.81
Less: Unearned Income	164.12	165.11
Net Investment before charging allowance for Impairment loss	1,152.64	925.70
Less: Allowance for Impairment losses	8.75	7.52
Total Net Investment	1,143.89	918.18

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Maturity analysis:

₹ in crore				
Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Investment	547.11	769.62	0.03	1,316.76
Less: Unearned Income	86.30	77.82	-	164.12
Net investment before charging allowance for Impairment loss	460.81	691.80	0.03	1,152.64

IV) There has been a modification in the monthly Lease rentals for certain lease contracts post abolishment of Compensation cess under GST 2.0. The modification doesn't result in separate lease under IndAS 116. The revised lease rentals are recognised prospectively over the remaining lease term of the said contracts.

42. Frauds reported during the year

There were 54 cases (March 31, 2025: 208 cases) of frauds amounting to ₹ 6.61 crore (March 31, 2025: ₹ 6.33 crore) reported during the year. Out of the fraud cases reported during the current year, the Company has recovered an amount of ₹ 2.14 crore (March 31, 2025: ₹ 2.26 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)

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
i) Contingent liabilities		
Demand against the Company not acknowledged as debts -		
- Income Tax matters where Company has gone in Appeal	37.09	38.13
- Goods & Service Tax matters where Company has gone in Appeal	6.51	0.89
- Service Tax matters where Company has gone in Appeal	97.02	93.66
- 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)	3.25	5.47
Guarantees	1,112.49	868.56
	1,301.06	1,051.41
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	67.23	92.86
Other commitments - loan sanctioned but not disbursed	858.31	234.39
	925.54	327.25
Total	2,226.60	1,378.66

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.

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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 reimbursement as it is determinable only on the occurrence of uncertain future events.

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 Through 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:

Particulars	As at March 31, 2026	As at March 31, 2025
Securitized -		
Carrying amount of transferred assets measured at amortized cost	12,537.40	8,541.39
Carrying amount of associated liabilities	12,784.25	8,672.79
Fair value of transferred assets (A)	13,132.77	8,400.38
Fair value of associated liabilities (B)	13,082.93	8,845.87
Net position (A-B)	49.84	(445.48)

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

During the previous 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.

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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:

Particulars	As at March 31, 2026	As at March 31, 2025
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 current year, the Company has not transferred or acquired any loan exposures through assignment/novation and loan participation.

c) Details of stressed loans transferred

The Company has transferred one stressed loan to Asset Reconstruction Company (ARC) through direct assignment during the year ended March 31, 2026. The details of the same are as under:

Particulars	To ARCs NPA	SMA	To Permitted transferees	To Other transferees (specify)
Count of loan accounts	1	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	18.02	-	-	-
Weighted average residual tenor of the loans transferred (in years)	0.27	-	-	-
Net book value of loans transferred (₹ in crore) (at the time of transfer)	-	-	-	-
Aggregate consideration (₹ in crore)	9.46	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

There was no such direct assignment/transfer of stressed loans to Asset Reconstruction Company (ARC) during the previous year ended March 31, 2025.

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.

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During the year ended March 31, 2026, the Company has incurred an expenditure of ₹ 47.78 crore (March 31, 2025: ₹ 34.10 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 ₹ 0.48 crore (March 31, 2025: ₹ 0.51 crore) towards the CSR activities undertaken by the Company.

Detail of amount spent towards CSR activities:

- a) Gross amount required to be spent by the Company during the year is ₹ 47.75 crore (March 31, 2025: ₹ 34.58 crore).
- b) Amount approved by the Board to be spent during the year: ₹ 47.75 crore (March 31, 2025: ₹ 34.58 crore).
- c) Amount spent by the Company during the year on:

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	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	47.78	-	47.78	34.61	-	34.61

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

In case of Section 135(5) unspent amount

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
-	-	-	-	-	-

- 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 The Board of Directors of the Company, at their meeting held on January 28, 2026, has accorded its in-principle approval for evaluating the proposal for consolidation including Scheme of merger by absorption of Mahindra Rural Housing Finance Limited ("MRHFL"), a 98.43% owned subsidiary of the Company with the Company and authorised the management to appoint various consultants, advisors and intermediaries for the purpose.

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The said in-principle approval is subject to further evaluation to be carried out by the Committee of Independent Directors and Audit Committee of the Board and necessary recommendations to be made by them in accordance with applicable laws and regulatory requirements.

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, 2026

Particulars	April 1 2025	Cash flows (net)	Exchange difference	Others	March 31 2026
Proceeds from issue of Equity shares, including securities premium (net of issue expenses)	-	2,988.56	-	-	2,988.56
Debt securities	25,176.02	505.15	-	7.52	25,688.69
Borrowings (Other than debt securities)	69,503.91	4,027.04	544.37	12.08	74,087.40
Deposits	10,893.25	2,485.71	-	(11.88)	13,367.08
Subordinated liabilities	5,229.70	(174.82)	-	1.99	5,056.87
Lease liabilities	383.19	(107.28)	-	100.95	376.87
Total	1,11,186.07	9,724.36	544.37	110.66	1,21,565.46

Year ended March 31, 2025

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

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.

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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 ₹ 41.60 crore (March 31, 2025: ₹ 150.11 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its derivative Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract, cross currency swaps, principal and interest rate swaps. Other derivative Instruments may be used if deemed appropriate.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

₹ in crore			
Particulars	JPY	US Dollar	Total
As at March 31, 2026			
Financial Assets	-	-	-
Financial Liabilities	-	5663.69	5,663.69
As at March 31, 2025			
Financial Assets	-	-	-
Financial Liabilities	936.53	5,964.24	6,900.77

Hedge Accounting - Forwards & Swaps

Contracts that meet the requirements for hedge accounting are accounted as per the hedge accounting requirements of 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%.

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

Outstanding Contracts	March 31, 2026		March 31, 2025	
	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	-	-	-	-
USD/INR	5,141.00	400.80	5,141.00	(90.32)
Maturing less than year				
JPY/INR	-	-	831.13	(221.16)
USD/INR	-	-	827.70	17.08

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: ₹ in crore

Particulars	March 31, 2026			March 31, 2025		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
Balance at the beginning of the year	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction	-	-	-	-	-	-
Change in fair value of effective portion of cash flow hedges	565.76	(463.03)	102.73	4.71	(66.94)	(62.23)
Total	569.19	(520.31)	48.88	4.62	(74.13)	(69.51)
Deferred tax on the above	(142.38)	116.53	(25.85)	(1.19)	16.85	15.66
Balance at the end of the year	426.81	(403.78)	23.03	3.43	(57.28)	(53.85)
Of the above:						
Balance relating to continuing hedges	426.81	(403.78)	23.03	3.43	(57.28)	(53.85)

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Foreign Currency Sensitivity

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

₹ in crore			
Particulars	Currency	Change in rate	Effect on OCI
Year ended March 31, 2026	INR/JPY	NA	NA
	INR/USD	(+/-) 10.00%	(+/-) 567.93
Year ended March 31, 2025	INR/JPY	(+/-) 10.00%	(+/-) 93.77
	INR/USD	(+/-) 10.00%	(+/-) 599.07

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 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 ₹ 4,173.26 crore (March 31, 2025: ₹ 3,169.05 crore) and floating rate borrowings is ₹ 37,786.90 crore (March 31, 2025: ₹ 43,245.87 crore).

₹ in crore			
Particulars	Currency	Increase/ decrease in basis points	Effect on profit before tax
Year ended March 31, 2026	INR	100	336.14
Year ended March 31, 2025	INR	100	400.77

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

₹ 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, 2026	1,30,251.06	(90.92)	1,30,160.14
At March 31, 2025	1,16,311.91	(97.89)	1,16,214.02

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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.

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	1,01,753.06	89,657.93
Past Due but not impaired:		
- 1-30 days past due	10,279.36	9,874.38
- 31-90 days past due	6,318.50	6,454.22
Impaired (more than 90 days)	4,491.81	4,340.48
Total Gross carrying value as at reporting date	1,22,842.73	1,10,327.01

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	7,621.33	5,810.25
Past Due but not impaired:		
- 1-30 days past due	320.02	218.18
- 31-90 days past due	68.20	55.05
Impaired (more than 90 days)	80.57	65.07
Total Gross carrying value as at reporting date	8,090.12	6,148.55

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying value of Trade Advances		
Upto 60 days past due	3,154.28	3,186.76
61-90 days past due	2.93	2.32
Impaired (more than 90 days)	6.00	8.38
Total Gross carrying value as at reporting date	3,163.21	3,197.46

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Overdue amount:

₹ in crore		
Particulars - Days past due	As at March 31, 2026	As at March 31, 2025
1-30 days	460.07	435.98
31-90 days	765.76	743.42
More than 90 days	2,064.51	1,789.95
Total	3,290.34	2,969.35

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	923.23	1,219.81
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	923.23	1,219.81

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.

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. A month on month Data Analysis and Transition Matrix is developed based on historical movement data capturing transitions between stages. The transition probabilities are used to compute Through The Cycle (TTC) PDs.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

For Bill discounting, as the average portfolio lifetime is 90 days, month on month flow rate analysis is undertaken on the basis of DPD buckets. Historical PDs are calculated using the average inter-bucket flow rates.

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 3.5 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.

Aggregate portfolio (outstanding exposure) on the Balance sheet date is considered for calculation of ECL on Stage 1 assets.

Overdue Interest plus overdue Principal and Future Principal for respective future years is considered for calculation of ECL on Stage 2 assets

v) Estimations and assumptions considered in the ECL model

The Company has made following assumptions in the ECL Model:

a) Loss Given Default (LGD):

LGD represents expected losses on the EAD given that the event of default had occurred, considering the time value of money on recoveries determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default had occurred.

Wherever historical data is available, the workout period based LGD methodology is used for developing the LGD model, which involves analysing the historical recoveries and actual losses incurred post default. The workout period is calculated on the recovery percentage of closed pool of loan contracts and is applied on live pool of contracts to consider cases which have survived the workout period. In the absence of sufficient historical data, regulatory LGDs are leveraged, or peer benchmarks are used as proxies.

Under the Workout - period based LGD approach, defaulted accounts are identified in line with the PD definition, and recoveries are tracked from the first date of default to ensure the full loss cycle is captured. A recovery period (or recovery threshold) is established based on the observed recovery curve of closed accounts, representing the point beyond which further recoveries are remote or minimal.

LGD population include all closed accounts and only those live accounts that have completed this recovery window implying further recoveries are remote/minimal. Recoveries are discounted back to the default date using the interest rate of the respective loan account and adjusted for reasonable estimate of recovery costs, and the realized LGD is calculated as the proportion of exposure at default.

For calculating LGD, the Company considers historical data set of impaired loans for 8 years. Defaulted loan accounts which are open but completed the recovery period (loans surviving workout period) and all the closed default accounts are considered. Actual cash flows pertaining to this portfolio from the first default date to the cut off date are then discounted at Loan EIR rate for arriving at this loss rate.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

In computation of LGD for Bill discounting portfolio, the historical data for 5 years is considered. For Trade advance portfolio, the LGD has been determined using a practical and data-driven approach where historically written off unrecovered amount has been considered as per the Technical Write off policy, regardless of when the loans were classified as defaulted.

b) Probability of Default (PD)

- a. It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- b. The measurement of risk of defaults is computed on homogenous portfolios, generally by nature of loans, underlying collateral, and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.
- c. The time period considered for TTC PD is 5 years rolling window as per BASEL norms.
- d. For Stage 1 assets, 12 months PD is considered which represents default events that are possible within 12 months after the reporting date.
- e. 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;
- f. For Stage 3 assets, PD is always at 100% as these are impaired assets.
- g. The Company has further segregated Stage 1 and Stage 2 portfolio into 1A and 1B and 2A and 2B respectively.
 - 1A comprises of performing loan accounts.
 - 1B comprises of the cohort which is impaired in the past but after impairment the entire overdue is not fully recovered.
 - 2A comprises of those loans which are in Stage 2 categorised as SICR
 - 2B comprises of stage 2 loans which are impaired in the past but after impairment the entire overdue is not fully recovered."

The Flow-Rate Approach (FRA) was applied for Bills Discounting to estimate the Through-The-Cycle (TTC) Probability of Default (PD) since these are short tenure loans and the average tenure is 3-6 months. This method involves analyzing the transitions of accounts between different delinquency buckets over time. The process uses historical data to compute transition rates between these buckets, which are then used to estimate default probabilities. For Bill discounting PD computation, the historical data for 5 years has been considered.

For Trade advance accounts, a month on month Data Analysis and Transition Matrix is developed based on historical movement data capturing transitions between stages (e.g., Performing → Underperforming → Default). The transition probabilities are used to compute Through The Cycle (TTC) PDs."

(vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

ECL on on-book exposure/portfolio:

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 most relevant macroeconomic variables (MEVs) through forward-looking adjustment to derive TTC PDs.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

ECL allowance on Stage 1 assets = Aggregate portfolio (exposure) on the Balance sheet date for Stage 1 multiplied by PD for Stage 1 and LGD.

ECL allowance on Stage 2 assets = Overdue Interest and Principal and Future Principal for respective future years multiplied by Marginal PDs for respective years and LGD percentage.

ECL allowance on Stage 3 assets = Gross exposure at reporting date multiplied by LGD.

Interest income on Stage 3 assets is recognized at an amount that is attributable to the net carrying value or net recoverable value of the impaired asset.

Recoverable Stage 3 Income = Interest income accrued at contractual rate x(1-allowance rate)

Where: (1-allowance rate) is the recovery rate, representing the portion of the income expected to be collected from the impaired asset.

ECL on Undrawn loan commitments:

ECL on the amount of undrawn loan commitments is calculated by applying the Stage 1 allowance rate of the respective portfolio.

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 Investments:

Expected Credit Loss (ECL) framework is tailored to the Company's diverse investment portfolio. The Company applies a structured ECL approach to all investment instruments held as part of statutory requirement, collateral assets held under securitization transactions, liquidity pool of investments spread across multiple instruments. These investments typically cover instruments like Government Securities (G-Secs), Bonds, Commercial Papers (CPs), and Certificates of Deposit (CDs), Term deposits with Banks and Pass-Through Certificates (PTCs) under securitization transactions. These investments are categorized as financial assets measured either at amortized cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per Ind AS 109 depending upon the nature and purpose for which these are held within the business model (to receive regular/periodic cash flows and to hold till maturity or as available for sale/realization when needed).

i) Investments carried at amortized cost - Government Securities, Debt instruments and Fixed Deposits with Banks: All these financial assets are held within the business model for collecting the contractual cash flows as per the contractual terms that give rise to cash flows on specified dates that are solely payment of principal and interest (SPPI) on the principal amount outstanding.

No ECL has been applied on these instruments as there was no history of loss or delay in servicing of interest/ repayments. The Company does not expect any loss or delay in interest/redemption servicing in future."

ii) Investments carried at FVTPL and FVOCI - Mutual fund units, G-Secs, Bonds, CP, and CD as part of liquidity pool: Investments in above referred instruments are measured at fair value through profit and loss (FVTPL) or other comprehensive income (FVOCI) based on their designation at inception at instrument level.

As required under Ind AS 109, the investment instruments under FVTPL category are fair valued to reflect such investments at current market price with corresponding gains/losses recognized in the statement of profit and loss. ECL is not applicable on these instruments.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

The investment instruments under FVOCI category are fair valued through other comprehensive income, thereby these investments reflect fair market value at each reporting date. Further, FVOCI category investment instruments are subject to ECL as per Ind AS 109. Since there was no history of loss or delay in servicing of interest/repayments and the Company does not expect loss, no ECL provision is created on these investment instruments.

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.

iv) **Others - Equity investments in subsidiary companies/JVs/Associates:**

Equity investments in subsidiary companies/JVs/Associates are not subject to impairment under Ind AS 109. These are assessed for impairment as per Ind AS 36."

v) **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 ageing 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/incentive receivables 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 retail vehicle loan portfolio which is the largest portfolio for MMFSL and reflects long term trends.

Receivables Outstanding > 90 DPD: 100% provision is created, 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Additionally, three different scenarios (Base, Best, Worst) with appropriate weights for probability outcome have been considered for ECL calculation.

(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.

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 unlikelihood 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. Primary Exposure of Co - applicant of a Stage 3 customer/customer group which are in Stage 1 or 2.
- iii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans
- iv. Retail vehicle loans, where asset has been repossessed.
- v. Cases where Company suspects fraud and legal proceedings are initiated.
- vi. SME loans where the Company has resorted to its rights under the SARFAESI Act."

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 5 years rolling window as per BASEL norms for each product category.
- b. Macro economic variables provided by Economist Intelligence Unit (EIU)#
- c. 27 MEVs (as per list #) used in the model based on R² above the Company defined threshold representing level of relevance/fitment out of 61 shortlisted MEVs considered as the key indicators having relevance to Company's business portfolios.

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."

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Model process

1. OLS Regression Methodology:

The Ordinary Least Square (OLS) regression approach begins with the development of an initial macroeconomic variable (MEV) framework, where lagged variables and appropriate transformations are applied to capture delayed and non-linear relationships. Standard regression assumptions are then tested to ensure model validity and statistical robustness. Three tests are carried out: Correlation, Stationarity and Directionality. Final set of MEVs are selected for each of the product categories out of shortlisted MEVs based on explanatory power (R² above the Company defined threshold representing level of relevance/fitment) and consistency with recent index trends, ensuring both statistical strength and economic interpretability. This approach is considered for retail vehicle loan portfolio.

2. Vasicek 2-factor Approach

The Vasicek approach is adopted for deriving PIT PDs for SME portfolio. For portfolios characterized by limited data history, low default counts, or high volatility in observed default rates, the Vasicek portfolio model has been adopted. This approach provides more stable and robust PiT PD estimates by smoothing idiosyncratic volatility and capturing systematic risk in portfolios with data constraints.

Listing of MEVs used in the model:

Description of MEV
Average real wage index (LCU, 2010=100)
Budget expenditure (LCU)
Consumer price index (2010=100; av)
Consumer prices (% change pa; av)
Current-account balance (US\$)
Domestic credit growth (%)
Domestic demand (% real change pa)
Exports of G&S (% real change pa)
Government consumption (% real change pa)
Gross fixed investment (% real change pa)
Imports of G&S (% real change pa)
Industrial production (% change pa)
Industrial production (2010=100; av)
Lending interest rate (%)
Nominal exports of G&S (LCU)
Nominal government consumption (LCU)
Nominal gross fixed investment (US\$)
Nominal imports of G&S (LCU)
Nominal private consumption (LCU)
Real GDP (% change pa)
Real GDP (PPP US\$ at 2010 prices)
Real government consumption (LCU)
Real gross fixed investment (LCU)
Real gross fixed investment (US\$ at 2010 prices)
Real imports of G&S (LCU)
Real private consumption (US\$ at 2010 prices)
Unemployment rate (%)

Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

The Company has estimated the ECL provision for the year ended March 31, 2026, in accordance with the updated ECL model. Further, during the year ended March 31, 2026, the Company has created management overlay of ₹ 852.00 crore.

Net carrying values

Net carrying values and ECL rates for **Retail Loans including Finance lease** are as follows: ₹ in crore

Particulars	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, 2026	1,12,032.42	6,318.50	4,491.81	1,22,842.73
Expected credit loss rate	0.60%	7.82%	58.51%	
Carrying amount as at March 31, 2026 (net of impairment provision)	1,11,363.57	5,824.16	1,863.63	1,19,051.36
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

Net carrying values and ECL rates for **SME Loans including Bills of exchange** are as follows: ₹ in crore

Particulars	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, 2026	7,941.35	68.20	80.57	8,090.12
Expected credit loss rate	0.77%	28.18%	63.52%	
Carrying amount as at March 31, 2026 (net of impairment provision)	7,879.98	48.98	29.39	7,958.35
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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Net carrying values and ECL rates for **Trade Advances** are as follows:

₹ in crore

Particulars	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at March 31, 2026	3,154.28	2.93	6.00	3,163.21
Expected credit loss rate	0.36%	2.73%	22.50%	
Carrying amount as at March 31, 2026 (net of impairment provision)	3,142.93	2.85	4.65	3,150.43
Gross Balance as at March 31, 2025	3,186.76	2.32	8.38	3,197.46
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

The contractual amount outstanding for trade advance that has been written off by the Company during the year ended March 31, 2026 and that were still subject to enforcement activity was ₹ 7.23 crore (March 31, 2025: ₹ 1.60 crore).

Net carrying values and ECL rates for **Financial Investments measured at amortized cost** are as follows:

₹ in crore

Particulars	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, 2026	923.23	-	-	923.23
Expected credit loss rate	-	-	-	-
Carrying amount as at March 31, 2026 (net of impairment provision)	923.23	-	-	923.23
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

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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, 2025

₹ 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

As at March 31, 2026

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2025	99,532.30	6,454.21	4,340.48	1,10,327.00
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	1,374.71	(1,232.22)	(142.49)	-
- Transfers to Stage 2	(5,189.75)	5,298.73	(108.98)	-
- Transfers to Stage 3	(1,622.16)	(1,105.95)	2,728.11	-
- Loans that have been derecognized during the period	(10,663.01)	(1,325.17)	(1,277.88)	(13,266.06)
New loans originated during the year	52,660.54	450.01	140.35	53,250.90
Write-offs	(4.89)	(34.65)	(973.96)	(1,013.50)
Impact of changes on items within the same stage	(24,055.32)	(2,186.47)	(213.83)	(26,455.62)
Gross carrying amount balance as at March 31, 2026	1,12,032.42	6,318.49	4,491.80	1,22,842.72

Notes forming part of the Standalone
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for the year ended March 31, 2026

Reconciliation of ECL balance

As at March 31, 2025

₹ 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

As at March 31, 2026

₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2025	562.81	583.93	2,205.99	3,352.74
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	184.45	(112.21)	(72.24)	-
- Transfers to Stage 2	(29.46)	84.71	(55.25)	-
- Transfers to Stage 3	(9.21)	(100.71)	109.92	-
- Loans that have been derecognized during the period	(62.06)	(117.93)	(646.98)	(826.97)
New loans originated during the year	316.23	35.27	81.95	433.45
Write-offs	(0.03)	(3.16)	(493.81)	(497.00)
Impact of changes on items within the same stage	(293.88)	124.44	1,498.60	1,329.16
ECL allowance balance as at March 31, 2026	668.85	494.34	2,628.18	3,791.38

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended March 31, 2026 and that were still subject to enforcement activity was ₹ 1,016.30 crore (March 31, 2025: ₹ 820.18 crore).

The Company does not originate loans classified as Stage 3 assets, and loans classified as Stage 2 assets are originated only based on specific credit assessments and requisite approvals. Write offs are undertaken only in respect of Stage 3 loans. This disclosure represents movements between opening and closing balances for the year and, accordingly, does not capture inter stage transfers during the period (i.e., movements between Stage 1, Stage 2, and Stage 3). Accordingly, the write offs reported above relate only to loans forming part of the opening balance.

Notes forming part of the Standalone
Financial Statements

for the year ended March 31, 2026

Gross exposure reconciliation

As at March 31, 2025

₹ 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 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	6,028.43	55.04	65.06	6,148.54

As at March 31, 2026

₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2025	6,028.43	55.04	65.06	6,148.54
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	10.15	(9.22)	(0.93)	-
- Transfers to Stage 2	(65.91)	65.91	-	-
- Transfers to Stage 3	(63.24)	(12.28)	75.52	-
- Loans that have been derecognized during the period	(2,259.95)	(7.88)	(21.21)	(2,289.04)
New loans originated during the year	4,912.22	7.86	6.42	4,926.50
Write-offs	(13.66)	(19.25)	(34.28)	(67.19)
Impact of changes on items within the same stage	(606.69)	(11.98)	(10.01)	(628.69)
Gross carrying amount balance as at March 31, 2026	7,941.35	68.20	80.57	8,090.12

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Reconciliation of ECL balance

As at March 31, 2025

₹ 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 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

As at March 31, 2026

₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2025	13.20	18.44	49.53	81.17
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	3.55	(2.84)	(0.71)	-
- Transfers to Stage 2	(0.18)	0.18	-	-
- Transfers to Stage 3	(0.17)	(4.08)	4.25	-
- Loans that have been derecognized during the period	(2.68)	(2.45)	(16.18)	(21.31)
New loans originated during the year	28.06	2.22	4.08	34.36
Write-offs	(0.04)	(7.10)	(26.07)	(33.21)
Impact of changes on items within the same stage	19.63	14.85	36.28	70.76
ECL allowance balance as at March 31, 2026	61.37	19.22	51.18	131.77

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended March 31, 2026 and that were still subject to enforcement activity was ₹ 67.19 crore (March 31, 2025: ₹ 40.83 crore).

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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, 2025

₹ 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

As at March 31, 2026

₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure as at April 1 2025	234.39	-	-	234.39
New Exposures	858.31	-	-	858.31
Exposure derecognized or matured/ lapsed (excluding write-offs)	(234.39)	-	-	(234.39)
- 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, 2026	858.31	-	-	858.31

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for the year ended March 31, 2026

Reconciliation of ECL balance

As at March 31, 2025

₹ 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

As at March 31, 2026

₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1 2025	0.69	-	-	0.69
New Exposures	4.77	-	-	4.77
Exposure derecognized or matured/ lapsed (excluding write-offs)	(0.69)	-	-	(0.69)
- 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, 2026	4.77	-	-	4.77

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Gross exposure reconciliation

As at March 31, 2025

₹ 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

As at March 31, 2026

₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1 2025	1,219.81	-	-	1,219.81
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	(286.40)	-	-	(286.40)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(10.18)	-	-	(10.18)
Gross carrying amount balance as at March 31, 2026	923.23	-	-	923.23

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.

Notes forming part of the Standalone Financial Statements

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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:

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Concentration by Geographical region in India:		
North	46,163.69	40,642.29
East	24,071.03	22,582.75
West	39,470.69	34,238.63
South	24,390.64	22,209.35
Total Gross Carrying Value	1,34,096.05	1,19,673.02

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other Company.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral:

Loan To Value	₹ in crore			
	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
0 - 50%	8,545.88	7,517.50	2,344.13	2,183.72
51 - 70%	18,106.16	15,982.16	1,616.83	1,074.94
71 - 100%	70,269.34	64,844.68	817.53	610.80
Above 100%	24,692.52	21,244.73	26.45	41.13
	1,21,613.90	1,09,589.07	4,804.94	3,910.59

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Gross value of total Credit impaired loans to value of collateral:

Loan To Value	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
0 - 50%	669.13	604.52	22.34	27.51
51 - 70%	752.13	714.56	18.25	5.10
71 - 100%	1,608.48	1,781.86	12.66	6.31
Above 100%	1,462.07	1,239.54	27.32	26.15
	4,491.81	4,340.48	80.57	65.07

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

March 31, 2026	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	4,491.81	7,161.54	-	-	-	2,936.14	4,225.40	266.41	2,628.18
SME Loans	80.57	-	69.36	80.24	-	96.53	53.07	27.50	51.18

Fair value of collateral held against Credit Impaired assets

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

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.

Notes forming part of the Standalone Financial Statements

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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.

₹ 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, 2026				
Trade Payable	895.23	-	-	-
Debt Securities	12,124.42	9,062.27	5,338.98	4,543.49
Borrowings (Other than Debt Securities)	37,693.92	39,425.47	2,901.85	18.13
Deposit	6,738.87	8,131.11	932.46	-
Subordinated liabilities	1,392.85	1,470.91	550.23	4,219.28
Other financial liabilities	808.37	176.92	132.55	95.84
Total	59,653.66	58,266.68	9,856.07	8,876.74
As at March 31, 2025				
Trade Payable	1,228.89	-	-	-
Debt Securities	10,179.30	9,839.12	6,190.60	4,669.96
Borrowings (Other than Debt Securities)	29,027.88	41,437.05	7,126.56	69.30
Deposit	4,609.27	7,032.41	1,306.95	-
Subordinated liabilities	606.62	2,093.38	912.79	4,359.87
Other financial liabilities	463.24	184.04	128.29	105.60
Total	46,115.20	60,586.00	15,665.19	9,204.73

b) Maturity profile of derivative financial instruments

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

₹ in crore				
Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at March 31, 2026				
Foreign exchange forward contracts				
- Payable	-	-	-	-
- Receivable	-	443.53	-	-
Interest Rate swaps				
- Payable	-	7.24	-	-
- Receivable	-	5.77	-	-
Currency swaps				
- Payable	-	-	-	-
- Receivable	-	-	-	-
Total Payable	-	7.24	-	-
Total Receivable	-	449.30	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

b) Maturity profile of derivative financial instruments (Contd.)

₹ in crore				
Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
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	-	-

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

₹ 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, 2026	As at March 31, 2025				
1) Foreign currency forwards, Interest rate, currency swaps & commodity derivatives	Financial Assets/ (Liabilities)	Financial Instruments measured at FVTPL	395.75	(359.10)	Level 2	Discounted Cash Flow	Future cash flows are 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	83.24	78.12	Level 1	Quoted market price		
3) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	-	593.75	Level 2	Quoted market price of similar instrument		
4) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	440.51	-	Level 1	Quoted market price		
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	308.29	2,330.40	Level 2	Quoted market price of similar instrument		
6) Investment in equity instruments- Quoted	Financial Assets	Financial instrument measured at FVTPL	0.10	0.18	Level 1	Quoted market price		

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

a) Financial Instruments regularly measured using Fair Value - recurring items (Contd.)

₹ in crore									
Particulars	Fair Value		Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for Level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity	As at March 31, 2026	As at March 31, 2025
	Financial assets/ financial liabilities	Category							
7) Investment in equity instruments- Unquoted	Financial Assets	Financial instrument designated at FVOCI	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.	155.25	126.67
8) Investment in Govt securities and bonds	Financial Assets	Financial instrument measured at FVOCI	Level 1	Quoted market price				3,110.07	4,247.99
9) Investment in Bonds	Financial Assets	Financial instrument measured at FVOCI	Level 2	Quoted market price of similar instrument				302.41	282.09

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

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

₹ in crore	
Particulars	Unquoted Equity investment
Year ended March 31, 2026	
Opening balance	126.67
Total gains or losses recognized:	
In Profit or loss	
a) in profit or loss	-
b) in other comprehensive income	28.58
Fair value of -	
Purchases made during the year	-
Disposals made during the year	-
Transfers into Level 3	-
Transfers out of Level 3	-
Closing balance	155.25
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

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for the year ended March 31, 2026

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value (Contd.)

₹ in crore	
Particulars	Unquoted Equity investment
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	126.67

c) Equity Investments designated at Fair value through Other Comprehensive Income

The Company has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Equity investment in Smartshift Logistic Solutions Private Limited and New Democratic Electoral Trust		
Fair Value of Investments	155.25	126.67

There are no disposal of investment during the year ended March 31, 2026 and March 31, 2025 respectively.

49.4 d) Financial Instruments measured at amortized cost

₹ in crore					
Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at March 31, 2026					
Financial assets					
a) Bank balances other than cash and cash equivalent	6,949.26	6,949.71	6,947.38	-	2.33
b) Loans and advances to customers	1,30,160.14	1,40,882.69	-	-	1,40,882.69
c) Financial investments - at amortized cost	923.23	941.42	941.42	-	-
Total	1,38,032.63	1,48,773.82	7,888.80	-	1,40,885.02
Financial liabilities					
a) Debt securities	26,539.06	26,833.18	25,818.56	1,014.62	-
b) Borrowings other than debt securities	74,240.03	74,592.14	-	74,592.14	-
c) Deposits	14,196.03	14,639.12	-	14,639.12	-
d) Subordinated Liabilities	5,359.74	5,399.02	2,823.83	2,575.19	-
e) Other financial liabilities	1,128.02	1,125.83	-	751.16	374.67
Total	1,21,462.88	1,22,589.29	28,642.39	93,572.23	374.67

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for the year ended March 31, 2026

49.4 d) Financial Instruments measured at amortized cost (Contd.).

₹ 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	1,14,260.52	28,520.65	85,359.07	380.80

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.

Long-term financial assets and liabilities

For other long term financial asset and liabilities like lease liabilities, the fair value are estimated by discounted cash flow models based on contractual cash flows, and are disclosed as Level 3 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.

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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.

50. Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

₹ in crore

Assets	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	391.22	-	391.22	1,666.56	-	1,666.56
Bank balance	6,947.09	2.17	6,949.26	3,777.92	91.39	3,869.31
Derivative financial instruments	-	402.60	402.60	25.69	5.26	30.95
Trade receivables	86.12	-	86.12	53.02	-	53.02
Loans	49,034.29	81,125.85	1,30,160.14	43,226.76	72,987.26	1,16,214.02
Investments	1,681.33	5,139.04	6,820.37	5,105.40	5,295.08	10,400.48
Other financial assets	127.54	94.56	222.10	152.89	94.64	247.53
Current tax assets (Net)	-	438.64	438.64	-	601.68	601.68
Deferred tax Assets (Net)	-	654.12	654.12	-	640.99	640.99
Property, Plant and Equipment	-	939.31	939.31	-	876.38	876.38
Intangible assets under development	-	5.42	5.42	-	65.10	65.10
Capital work-in-progress	-	1.65	1.65	-	0.52	0.52
Other Intangible assets	-	248.37	248.37	-	172.89	172.89
Other non-financial assets	498.47	87.48	585.95	587.48	121.27	708.75
Total Assets	58,766.06	89,139.21	1,47,905.27	54,595.72	80,952.46	1,35,548.18
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	6.85	6.85	276.82	113.23	390.05
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	855.51	-	855.51	1,208.56	-	1,208.56
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	5.72	-	5.72	2.71	-	2.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.00	-	34.00	17.62	-	17.62

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

50. Maturity analysis of assets and liabilities (Contd.)

Assets	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt Securities	11,170.35	15,368.71	26,539.06	9,572.72	16,632.11	26,204.83
Borrowings (Other than Debt Securities)	34,334.32	39,905.71	74,240.03	25,124.62	44,610.30	69,734.92
Deposits	6,235.31	7,960.72	14,196.03	4,249.79	7,154.36	11,404.15
Subordinated Liabilities	1,235.03	4,124.71	5,359.74	443.71	5,085.86	5,529.57
Other financial liabilities	782.09	345.93	1,128.02	436.00	354.60	790.60
Non-Financial Liabilities						
Current tax liabilities (Net)	158.87	-	158.87	69.73	-	69.73
Provisions	253.68	153.54	407.22	145.27	71.77	217.04
Other non-financial liabilities	214.51	1.01	215.52	163.71	2.46	166.17
Total Liabilities	55,279.39	67,867.18	1,23,146.57	41,711.26	74,024.69	1,15,735.95
Net	3,486.67	21,272.03	24,758.70	12,884.46	6,927.77	19,812.23

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
c)	Fellow Subsidiaries: (entities with whom the Company has transactions)	Mahindra Finance CSR Foundation
		Mahindra USA, Inc
		NBS International Limited
		Mahindra First Choice Wheels Limited
		Mahindra Defence Systems Limited
		Mahindra Integrated Business Solutions Private Limited
		Mahindra Logistics Limited
		Mahindra Accelo Limited
		Gromax Agri Equipment Limited
		Mahindra Holidays & Resorts India Limited
		Mahindra Susten Pvt Limited
		Mahindra EPC Irrigation Limited
		Mahindra Industrial Park Chennai Limited
		Mahindra Sumit Agriscience Limited
		Swaraj Engines Limited

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows: (Contd.)

		Mahindra Racing UK Limited
		Mahindra Teqo Pvt Limited
		Mahindra World City Developers Limited
		Mahindra Aerostructures Private Limited
		Mahindra Agri Solutions Limited
		Mahindra Electric Automobile Limited
		Mahindra HZPC Private Limited
		Mahindra Last Mile Mobility Limited
		Mahindra Lifespace Developers Limited
		Mahindra Solarize Private Limited
d)	Joint Ventures/ Associates: (entities on whom control is exercised)	Mahindra World City (Jaipur) Limited
		Naandi Community Water Services Private Limited
		Sustainable Energy Infra Investment Managers Private Limited
		MLL Express Services Private Limited
		MLL Mobility Private Limited
		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:	Tech Mahindra Foundation
		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
		Mrs. Padmaja Chunduru
		Mr. Ramesh Iyer (Ceased to be KMP w.e.f April 29, 2024)
		Mr. C. B. Bhawe (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)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows: (Contd.)

g)	Relatives of Key Management Personnel (where there are transactions)	Mr. Joan Rebello
		Mr. Dinesh Iyer (Relative of Ceased KMP w.e.f April 29, 2024)
		Mrs. Janki Iyer (Relative of Ceased KMP w.e.f April 29, 2024)
		Mrs. Girija Subramanian (Relative of Ceased KMP w.e.f April 29, 2024)
		Mr. Risheek Ramesh Iyer (Relative of Ceased KMP w.e.f April 29, 2024)
h)	Welfare Funds/Post-employment benefit plans (entities with whom the Company has transactions)	Mahindra & Mahindra Financial Services Limited Group Gratuity Cum Life Assurance Scheme
		Mahindra & Mahindra Financial Services Limited Superannuation Scheme

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: Related Party Transactions

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	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	3.20	19.17	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	9.51	9.88	-	-	-	-	-	-	-	-
Lease rental income														
- Mahindra & Mahindra Limited	116.63	93.73	-	-	-	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	-	-	0.22	0.20	-	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	-	-	0.58	0.41	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.48	0.30	-	-	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.28	0.28	-	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	-	-	0.03	0.07	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Pvt Limited	-	-	-	-	0.33	0.30	-	-	-	-	-	-	-	-
- Mahindra Teqo Pvt Limited	-	-	-	-	0.28	0.13	-	-	-	-	-	-	-	-
- Mahindra HZPC Pvt Ltd	-	-	-	-	0.23	0.13	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	5.49	4.20	-	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	1.84	1.50	-	-	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	1.22	0.59	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	1.91	0.95	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company				Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Tech Mahindra Limited	-	-	-	-	12.44	8.51	-	-	-	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	1.93	1.42	-	-	-	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	1.04	0.60	-	-	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd.	-	-	-	-	0.35	0.47	-	-	-	-	-	-	-	-	-	-
- Mahindra Aerostructures Private Limited	-	-	-	-	0.05	0.02	-	-	-	-	-	-	-	-	-	-
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	1.52	0.20	-	-	-	-	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	-	-	0.14	0.02	-	-	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	-	-	0.20	0.02	-	-	-	-	-	-	-	-	-	-
- MLL Mobility Private Limited	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-	-
- MLL Express Services Private Limited	-	-	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-
- Mahindra EPC Irrigation Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-
- Mahindra World City Developers Limited	-	-	-	-	0.09	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Industrial Park Chennai Ltd	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-
Interest income	2.60	2.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from sharing services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	7.60	4.07	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	4.00	1.56	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	1.05	-	-	-	-	-	-	-	-	-

Related Party Transactions (Contd.)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company				Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Other Income	0.13	0.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	-	0.22	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	177.32	15.46	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	22.08	13.54	-	-	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	0.07	0.07	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	13.42	11.92	-	-	-	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	-	0.00	0.18	-	-	-
Other expenses	29.95	25.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.00	0.16	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	24.46	23.73	-	-	-	-	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	-	-	0.54	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Pvt Limited	-	-	-	-	66.11	61.87	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	0.86	0.58	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.36	0.08	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	47.36	62.72	-	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	0.01	0.28	-	-	-	-	-	-	-	-	-	-

Related Party Transactions (Contd.)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Donations/CSR Expenses														
- Mahindra Finance CSR Foundation	-	0.02	0.02	0.02	-	-	-	-	-	-	-	-	-	-
- New Democratic Electoral Trust	-	-	-	-	-	21.00	-	-	-	-	-	-	-	-
- Tech Mahindra Foundation	-	-	-	-	1.00	0.15	-	-	-	-	-	-	-	-
Remuneration														
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	-	3.65	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	5.98	3.95	-	-	-	-
Sitting fees and commission														
- Mr C. B. Bhawe	-	-	-	-	-	-	-	-	-	0.57	-	-	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	-	-	0.24	-	-	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	-	-	0.23	-	-	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	-	-	0.71	0.69	-	-	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	-	-	0.56	0.54	-	-	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	-	-	0.66	0.65	-	-	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	-	-	0.52	0.47	-	-	-	-
- Mr Vijay Kumar Sharma	-	-	-	-	-	-	-	-	0.60	0.45	-	-	-	-
- Mrs Padmaja Chunduru	-	-	-	-	-	-	-	-	0.20	-	-	-	-	-
Reimbursement from parties														
- Mahindra & Mahindra Limited	5.06	1.86	-	-	-	-	-	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	-	-	2.13	3.90	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	0.06	1.37	1.37	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.55	0.07	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	1.37	-	-	-	-	-	-	-	-	-

Related Party Transactions (Contd.)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- Mahindra Integrated Business Solutions Pvt Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Pvt Ltd	-	-	-	-	-	-	0.79	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	0.24	3.75	3.75	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Limited Group Gratuity Cum Life Assurance Scheme	-	-	-	-	-	-	-	-	-	-	-	-	21.46	-
Reimbursement to parties														
- Mahindra & Mahindra Limited	31.10	25.91	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.03	0.06	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.19	0.93	-	-	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	2.06	3.09	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.48	0.42	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-
- Mahindra Racing UK Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.03	0.01	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	-	0.16	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Limited Superannuation Scheme	-	-	-	-	-	-	-	-	-	-	-	-	7.45	-

Related Party Transactions (Contd.)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed assets (Incl Capital advances)														
- Mahindra & Mahindra Limited	116.98	126.34	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.17	0.01	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	0.20	0.25	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	-	0.19	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	13.46	9.19	-	-	-	-	-	-	-	-
- Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	22.50	3.11	-	-	-	-	-	-	-	-
Sale of fixed assets														
- Mahindra & Mahindra Limited	0.25	0.44	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.29	0.05	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	0.08	0.27	-	-	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-
- Mahindra Accelo Limited	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-
- MLL Mobility Private Limited	-	-	-	-	7.45	-	-	-	-	-	-	-	-	-
Fixed deposits taken														
- Mahindra Insurance Brokers Limited	-	-	229.23	180.00	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	-	0.21	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	25.00	-	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	-	0.17	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.40	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fixed deposits matured														
- Mahindra Insurance Brokers Limited	-	-	155.50	115.50	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Ltd	-	-	-	-	-	0.21	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	15.00	-	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	0.85	-	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	2.30	-	-	-	-
Dividend paid														
- Mahindra & Mahindra Limited	474.23	405.97	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	-	-	0.41	0.61	-	-	-	-	-	-	-	-	-	-
- Mr Ramesh Iyer	-	-	-	-	-	-	-	1.00	-	-	-	-	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-
Inter corporate deposits taken														
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits repaid/matured														
- Mahindra Insurance Brokers Limited	-	-	18.50	41.00	-	-	-	-	-	-	-	-	-	-
Trade Advance given														
- NBS International Limited	-	-	-	-	34.23	-	-	-	-	-	-	-	-	-
Trade Advance Settled														
- NBS International Limited	-	-	-	-	33.31	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Related Party Transactions (Contd.)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Balances as at the end of the period														
Receivables														
- Mahindra & Mahindra Limited	1.48	5.93	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Insurance Brokers Limited	-	-	2.10	0.12	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	3.28	1.50	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	-	-	2.11	1.19	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Pvt Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
- Mahindra Teqo Pvt Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-
- Mahindra HZPC Pvt Ltd	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	-	0.22	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.44	0.98	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	-	3.84	4.42	-	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	-	-	0.01	0.09	-	-	-	-	-	-	-	-
- MLL Mobility Private Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Related Party Transactions (Contd.)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries/ Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
- MLL Express Services Private Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
- Mahindra Epc Irrigation Limited	-	-	-	-	0.02	-	-	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	-	-	0.18	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Payables														
- Mahindra & Mahindra Limited	5.79	16.52	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Rural Housing Finance Limited	-	-	0.13	0.01	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	-	-	3.12	2.04	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	-	-	0.08	9.97	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	-	-	0.09	2.35	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Pvt Limited	-	-	-	-	1.41	1.41	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Holding Company				Subsidiary Companies				Fellow Subsidiaries/ Associate of Holding Company				Associate companies				Key Management Personnel				Relatives of Key Management Personnel				Post employment benefit plan			
	Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year	
	Year		Year		Year		Year		Year		Year		Year		Year		Year		Year		Year		Year		Year		Year	
-	NBS International Limited	-	-	-	-	-	-	-	1.35	1.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Mahindra Logistics Limited	-	-	-	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Mahindra Last Mile Mobility Ltd	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Mahindra Electric Automobile Limited (MEAL)	-	-	-	-	-	-	-	0.73	1.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter corporate deposits taken (including interest accrued but not due)																												
-	Mahindra Insurance Brokers Limited	-	-	-	-	-	21.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)																												
-	Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Mahindra Insurance Brokers Limited	-	-	-	-	291.81	210.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	PSL Media & Communications Ltd	-	-	-	-	-	-	-	0.88	0.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Mahindra Holidays & Resorts India Ltd	-	-	-	-	-	-	-	176.62	164.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Mr Ramesh Iyer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.17	-	-	-	-	-	-	-	-	-	-	-
-	Mr Raul Rebello	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	2.48	-	-	-	-	-	-	-	-	-

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

iii) Details of related party transactions with Key Management Personnel (KMP) are as under:
Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive Directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

		₹ in crore	
Name of KMP	Nature of transactions	31 March 2026	31 March 2025
Mr. Ramesh Iyer (Vice-Chairman & Managing Director) (Ceased to be a Director w.e.f 29 April 2024)	Gross Salary including perquisites	-	3.65
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	-	-
	Total	-	3.65
Mr. Raul Rebello (Managing Director & Chief Executive Officer)	Gross Salary including perquisites	5.60	3.62
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.38	0.33
	Total	5.98	3.95
Mr. Dhananjay Mungale (Independent Director) (Ceased to be a Director w.e.f 23 July 2024)	Commission	-	0.14
	Sitting fees	-	0.11
	Total	-	0.25
Ms. Rama Bijapurkar (Independent Director) (Ceased to be a Director w.e.f 23 July 2024)	Commission	-	0.14
	Sitting fees	-	0.09
	Total	-	0.23
Mr. C.B. Bhawe (Independent Director) (Ceased to be a Director w.e.f 02 Feb 2025)	Commission	-	0.34
	Sitting fees	-	0.23
	Total	-	0.57
Mr. Milind Sarwate (Independent Director)	Commission	0.44	0.40
	Sitting fees	0.27	0.29
	Total	0.71	0.69
Dr. Rebecca Nugent (Independent Director)	Commission	0.44	0.40
	Sitting fees	0.12	0.14
	Total	0.56	0.54
Diwakar Gupta (Independent Director)	Commission	0.44	0.40
	Sitting fees	0.22	0.24
	Total	0.66	0.64
Vijay Kumar Sharma (Appointed w.e.f. 15 May 2024)	Commission	0.43	0.35
	Sitting fees	0.17	0.09
	Total	0.60	0.44

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

iii) Details of related party transactions with Key Management Personnel (KMP) are as under: (Contd.)

₹ in crore			
Name of KMP	Nature of transactions	31 March 2026	31 March 2025
Ashwani Ghai (LIC of India representative)	Commission	0.43	0.39
	Sitting fees	0.09	0.08
	Total	0.52	0.47
Padmaja Chunduru (Appointed w.e.f. 10 Nov 2025)	Commission	0.18	-
	Sitting fees	0.02	-
	Total	0.20	-

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

As at March 31, 2026

₹ in crore					
Particulars	Relationship	Balance as on April 1, 2025	Advances/ investments	Repayments/ sale	Balance as on March 31, 2026
(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 Limited	Joint Venture	195.30			195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50			0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00			0.00
Mahindra Finance USA, LLC	Joint Venture	210.55			210.55
Mahindra Ideal Finance Limited, Sri Lanka (considered as Subsidiary w.e.f. 8 July 2021) (Formerly known as Ideal Finance Limited)"	Subsidiary	77.97			77.97
Smartshift Logistics Solutions Private Limited	Fellow Associate	9.50			9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02			0.02
Total		1,499.98	-	-	1,499.98

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

As at March 31, 2025

₹ 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 Limited	Joint Venture	195.30	-	-	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	-	-	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00		-	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	-	-	210.55
Mahindra Ideal Finance Limited, Sri Lanka	Subsidiary	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
Total		1,499.98	-	-	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

Notes forming part of the Standalone
Financial Statements

for the year ended March 31, 2026

52. Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

₹ in crore

Sr. No.	Particulars	As at March 31, 2026		As at March 31, 2025	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Liabilities side:					
1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
(a)	Debtentures:				
-	Secured	19,305.00	-	22,974.56	-
-	Unsecured	1,077.09	-	1,076.79	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	55,718.10	-	52,998.12	-
(d)	Inter-corporate loans and Other Borrowings	-	-	30.48	-
(e)	Commercial Paper	6,156.97	-	2,153.48	-
(f)	Public Deposits	7,175.75	-	6,947.62	-
(g)	Fixed Deposits accepted from Corporates	7,020.28	-	4,456.53	-
(h)	External Commercial Borrowings	5,722.28	-	7,022.09	-
(i)	Associated liabilities in respect of securitization transactions	12,799.65	-	8,684.41	-
(j)	Triparty repo dealing and settlement (TREPs) against Government securities	-	-	999.82	-
(k)	Subordinate debt (including NCDs issued through Public issue)	5,359.74	-	5,529.57	-
(l)	Other Short Term Loans and credit facilities from banks	-	-	-	-
2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a)	In the form of Unsecured debtentures	-	-	-	-
(b)	In the form of partly secured debtentures i.e. Debtentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	7,175.75	-	6,947.62	-

Notes forming part of the Standalone
Financial Statements

for the year ended March 31, 2026

52. Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (Contd.)

₹ in crore

Sr. No.	Particulars	Amount Outstanding	
		As at March 31, 2026	As at March 31, 2025
Asset side:			
3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	7,655.90	6,149.03
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	4.92	2.72
	(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	105.67	162.14
	(b) Loans other than (a) above	1,22,479.77	1,09,953.15
5)	Break-up of Investments:		
	Current Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	6.75	161.43
	(iii) Units of mutual funds	83.24	78.12
	(iv) Government Securities	842.53	1,941.69
	(v) Investments in Certificate of Deposits with Banks	748.80	2,330.40
	(vi) Investments in Commercial Papers	-	593.75
	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	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

52. Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (Contd.)

₹ in crore

Sr. No.	Particulars	Amount Outstanding	
		As at March 31, 2026	As at March 31, 2025
	(vii) Investments in Pass Through Certificates under securitization transactions	-	-
	(viii) Investment in Triparty Repo Dealing System (TREPS)	-	-
Long Term Investments:			
1. Quoted:			
(i) Shares:	(a) Equity	0.10	0.18
	(b) Preference	-	-
	(ii) Debentures and Bonds	327.95	333.88
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	3219.80	3398.41
2. Unquoted:			
(i) Shares:	(a) Equity	1591.20	1562.62
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(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:

₹ in crore

Category	As at March 31, 2026			As at March 31, 2025		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	17.10	12.06	29.16	12.54	8.89	21.43
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	1,22,568.34	7,648.76	1,30,217.10	1,10,102.75	6,142.86	1,16,245.61
Total	1,22,585.44	7,660.82	1,30,246.26	1,10,115.29	6,151.75	1,16,267.04

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ in crore

Category	As at March 31, 2026		As at March 31, 2025	
	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	1,029.60	1,029.60	1,029.60	1,029.60
(b) Companies in the same group	561.60	561.60	533.02	533.02
(c) Other related parties	-	-	-	-
2. Other than related parties	5,265.49	5,229.17	8,870.83	8,837.86
Total	6,856.69	6,820.37	10,433.45	10,400.48

8) Other information:

₹ in crore

Particulars	As at March 31, 2026	As at March 31, 2025
	Amount	Amount
i) Gross Non-Performing Assets:		
(a) Related parties	-	-
(b) Other than related parties	4,578.38	4,413.94
ii) Net Non-Performing Assets:		
(a) Related parties	-	-
(b) Other than related parties	1,897.65	2,155.89
iii) Assets acquired in satisfaction of debt:	0.10	0.18

53. Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

I) Capital

₹ in crore

Particulars	As at March 31, 2026	As at March 31, 2025
CRAR (%)	18.84%	18.33%
CRAR-Tier I Capital (%)	16.66%	15.25%
CRAR-Tier II Capital (%)	2.18%	3.08%
Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	1,500.00

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

II) Investments

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Value of Investments		
(i) Gross Value of Investments		
(a) In India	6,586.36	10,166.47
(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	6,586.36	10,166.47
(b) Outside India	234.01	234.01
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	54.51	54.51
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	54.51	54.51

III) Derivatives

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

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
(i) The notional principal of swap agreements	6,682.16	8,582.05
(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)))	395.75	(359.10)

b) Exchange Traded Interest Rate (IR) Derivatives

The Company has not entered into any exchange traded derivative during the current and previous year.

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

- 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.
- iv) Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract. The Company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts, provisioning and credit risk mitigation.

Quantitative disclosure

d) Foreign currency non-repatriate loans availed:

₹ in crore				
Category	As at March 31, 2026		As at March 31, 2025	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
i) Derivatives (Notional Principal Amount)				
- For hedging		6,682.16		8,582.05
ii) Marked to Market Positions [1]				
(a) Asset (+) Estimated gain	397.06	5.54	30.95	-
(b) Liability (-) Estimated loss	-	(6.85)	(309.81)	(80.24)
iii) Credit Exposure [2]	-	-	-	-
iv) Unhedged Exposures	-	-	-	-

IV) During the year ended March 31, 2026, the Company has undertaken co-lending arrangements with respective participating banks and NBFCs in accordance with RBI circular no. RBI/2020-21/63 FIDD. CO.Plan.BC. No.8/04.09.01/2020-21, dated November 05, 2020. The details of such co-lending arrangements are provided in the below table.

₹ in crore			
Sr no	Particulars	As at March 31, 2026	As at March 31, 2025
I) As Originator RE -			
1) Quantum of CLAs:			
- Number of CLA Partners		2	-
- Number of Outstanding cases		448	-
Amount disbursed under CLA (₹ in crore)		36.11	-
2) Weighted Average Rate of Interest (%)		10.52%	-
3) Fees received (₹ In crore)		0.96	-
4) Fees Paid (₹ In crore)		-	-
5) Broad Sectors in which CLA was made		Vehicle Loans	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

IV) During the year ended March 31, 2026, the Company has undertaken co-lending arrangements with respective participating banks and NBFCs in accordance with RBI circular no. RBI/2020-21/63 FIDD. CO.Plan.BC. No.8/04.09.01/2020-21, dated November 05, 2020. The details of such co-lending arrangements are provided in the below table. (Contd.)

₹ in crore			
Sr no	Particulars	As at March 31, 2026	As at March 31, 2025
6)	Performance of loans under CLA:		
	- Standard (₹ In crore)	35.66	-
	- Non-Performing Loans (₹ In crore)	-	-
7)	Details related to Default Loss Guarantee (DLG)	-	-
II)	As Partner RE -		
1)	Quantum of CLAs:		
	- Number of CLA Partners	2	-
	- Number of Outstanding cases	1,918	-
2)	Amount disbursed under CLA (₹ in crore)	12.73	-
3)	Weighted Average Rate of Interest (%)	12.48%	-
4)	Fees received (₹ In crore)	-	-
5)	Fees Paid (₹ In crore)	0.03	-
6)	Broad Sectors in which CLA was made	Loan Against Property & Unsecured loans to MSME's	-
7)	Performance of loans under CLA:		
	- Standard (₹ In crore)	103.84	-
	- Non-Performing Loans (₹ In crore)	2.96	-
8)	Details related to Default Loss Guarantee (DLG)#	20.83	-

#Of the amount mentioned in point no.7 as DLG, ₹ 9.95 Crore stands Invoked.

During the year ended March 31, 2026, the Company has not undertaken any co-lending arrangements with any of the banks or NBFCs in accordance with Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk), Directions, 2025 RBI/DOR/2025-26/352 DOR.STR.REC.271/21.04.048/2025/26 dated November 28, 2025.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

V) Disclosures relating to Securitization

a) Disclosures in the notes to the accounts in respect of securitization transactions as required under Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

₹ in crore			
Sr no	Particulars	As at March 31, 2026	As at March 31, 2025
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)	35	21
2)	Total amount of securitised assets as per books of the SPEs	12,784.24	8,672.81
3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet -		
	a) Off-balance sheet exposures		
	First loss-		
	- Credit enhancement in form of corporate undertaking	1,103.02	858.35
	Others	-	-
	b) On-balance sheet exposures		
	First loss		
	- Cash collateral term deposits with banks	1,962.77	982.33
	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	866.89	819.74
	(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)	9,648.54	6,477.28
	Gain/loss on sale on account of securitisation	Nil	Nil

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

a) Disclosures in the notes to the accounts in respect of securitization transactions as required under Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025 (Contd)

₹ in crore			
Sr no	Particulars	As at March 31, 2026	As at March 31, 2025
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."	26.63	14.20
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	1,840.68	1,893.39
b)	Additions during the year (Fresh Transactions)	1,225.12	778.17
c)	Top Up during the year	-	-
d)	Reductions during the year (Matured Transactions)	-	830.88
e)	Withdrawal during the year	-	-
f)	Closing Balance Outstanding	3,065.80	1,840.68
	Excess Interest Spread (EIS) (Amount Held In Trust):		
a)	Opening Balance Outstanding	545.29	896.13
b)	Additions during the year (Fresh Transactions)	3.95	18.06
c)	Top Up during the year	317.66	186.18
d)	Reductions during the year (Matured Transactions)	-	555.08
e)	Withdrawal during the year	-	-
f)	Closing Balance Outstanding	866.90	545.29
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*	4.95%	7.44%
b)	Auto Loans*	3.89%	5.52%
	* % 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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

b) Details of Financial Assets sold to Securitization/Reconstruction Company for Asset Reconstruction

The Company has transferred one stressed loan to Asset Reconstruction Company (ARC) through direct assignment during the year ended March 31, 2026. The details of the same are as under:

₹ in crore				
Particulars	To ARCs		To Permitted transferees	To Other transferees (specify)
	NPA	SMA		
Count of loan accounts	1	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	18.02	-	-	-
Weighted average residual tenor of the loans transferred (in years)	0.27	-	-	-
Net book value of loans transferred (₹ in crore) (at the time of transfer)	-	-	-	-
Aggregate consideration (₹ in crore)	9.46	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*During the previous year, the Company has not assigned /transferred any stress loan exposures.

VI) 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

₹ in crore			
Sr. No.	Particulars	As at March 31, 2026	As at March 31, 2025
1)	No. of accounts	-	749.00
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	-	1.00
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	NA	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 current year, the Company has not acquired any loan exposures through assignment/novation and loan participation.

b) During the current year and the previous year, the Company has not 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

VII) Exposures

a) Exposure to Real Estate Sector

₹ in crore		
Category	As at March 31, 2026	As at March 31, 2025
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	1,845.91	1,291.89
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.	3.68	50.01
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
Total Exposure to Real Estate Sector	1,849.59	1,359.83

b) Exposure to Capital Market

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
(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*	155.35	126.85
(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	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

b) Exposure to Capital Market (Contd.)

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
(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	155.35	126.85

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

c) Sectoral exposure

₹ in crore						
Sectors	As at March 31, 2026			As at March 31, 2025		
	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	21,041.00	947.72	4.5%	17,098.73	901.42	5.3%
2) Industry						
i) Micro and Small	4,314.36	70.35	1.6%	2,796.47	34.94	1.2%
ii) Medium	1,682.72	6.75	0.4%	1,219.63	1.52	0.1%
iii) Large	1,582.41	-	0.0%	669.92	0.15	0.0%
iv) Others - Trade advances to Dealers	3,163.21	6.00	0.2%	3,197.47	8.39	0.3%
Total of Industry	10,742.70	83.10	0.8%	7,883.49	45.00	0.6%
3) Services						
i) Transport Operators	21,156.41	1,089.93	5.2%	23,405.07	1,120.30	4.8%
ii) Others	510.63	3.47	0.7%	1,462.52	28.46	1.9%
Total of Services	21,667.04	1,093.40	5.0%	24,867.59	1,148.76	4.6%
4) Retail/Personal loans						
i) Vehicle/Auto Loans	77,847.40	2,365.98	3.0%	67,308.80	2,257.09	3.4%
ii) Personal loans	1,228.82	21.54	1.8%	726.12	16.93	2.3%
iii) Others	1,569.09	66.64	4.2%	1,788.29	44.74	2.5%
Total of Retail/Personal loans	80,645.31	2,454.16	3.0%	69,823.21	2,318.76	3.3%
5) Others (if any, to specify)	-	-		-	-	
Total	1,34,096.05	4,578.38	3.4%	1,19,673.02	4,413.93	3.7%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

- 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

Particulars	₹ in crore	
	Year ended March 31, 2026	Year ended March 31, 2025
i) Total amount of intra-group exposures	1664.92	1630.26
ii) Total amount of top 20 intra-group exposures	1664.92	1630.26
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	1.18%	1.25%

e) Unhedged foreign currency exposure

Details of its unhedged foreign currency exposures:

- As at March 31, 2026: Nil
- As at March 31, 2025: 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.

f) Details of financing of parent Company products

Of the total financing activity undertaken by the Company during the financial year 2025-26: 48 % (March 31, 2025: 44%) of the financing was towards parent Company products.

g) 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).

h) Unsecured Advances

As at March 31, 2026, the amount of unsecured advances stood at ₹ 7,677.22 crore (March 31, 2025: ₹ 6,161.54 crore). There are no advances secured against intangible assets.

VIII) 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, 2025	Aug 04, 2028
2)	Insurance Regulatory and Development Authority - Corporate agent	CA0939	May 21, 2024	May 20, 2027

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

During the year under review, following monetary penalty was levied by RBI:

- ₹ 0.71 crores vide its order dated April 25, 2025 for non-compliance with certain provisions of the ‘Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016’ and ‘Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016
- ₹ 0.12 crores vide its order dated February 27, 2026 for non-compliance with certain directions issued by RBI on ‘Fair Practices Code’ and ‘Internal Ombudsman for Regulated Entities’”

c) Related Party Transactions

(Refer note no. 51)

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

Credit Rating

During the year under review, CRISIL Ratings Limited (CRISIL), has 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.

- e) During the year, the Company has not carried out any project finance activities.
- f) During the year, the Company has not carried out any transactions related to off-balance sheet exposures and structured products.
- g) During the year, the Company has not carried out any transactions related to Non-Fund Based (NFB) Credit Facilities.

IX) Net Profit or 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.

X) Revenue Recognition

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

XI) 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)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

XII) Provisions and Contingencies

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	-	-
Provision towards non-performing assets (Stage 3 assets)	422.30	53.36
Provision made towards Income tax	923.02	779.45
Other Provision and Contingencies (Loan commitment)	4.08	0.67
Provision for diminution in the fair value of restructured advances	-	-
Provision for Standard Assets (Stage 1 and Stage 2 assets)	59.75	5.59

Draw Down from Reserves

- Year ended March 31, 2026: Nil
- Year ended March 31, 2025: Nil

XIII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Total Deposits of twenty largest depositors	3,788.44	3,229.25
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC.	26.7%	28.3%

b) Concentration of Advances

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Total Advances to twenty largest borrowers	1,852.89	1,322.63
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.4%	1.1%

c) Concentration of Exposures

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Total Exposure to twenty largest borrowers/customers	1,854.04	1,322.63
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	1.4%	1.1%

d) Concentration of NPAs

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Total Exposure to top four NPA accounts	20.77	24.65

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

e) Movement of NPAs *

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
i) Net NPAs to Net Advances (%)	1.44%	1.84%
ii) Movement of NPAs (Gross)		
(a) Opening balance	4,413.94	3,490.90
(b) Additions during the year	2,731.42	2,973.04
(c) Reductions during the year	(2,566.98)	(2,050.00)
(d) Closing balance	4,578.38	4,413.94
iii) Movement of Net NPAs		
(a) Opening balance	2,155.89	1,285.96
(b) Additions during the year	990.26	1,630.66
(c) Reductions during the year	(1,248.50)	(760.73)
(d) Closing balance	1,897.65	2,155.89
iv) Movement of provisions for NPAs		
(a) Opening balance	2,258.04	2,204.94
(b) Provisions made during the year	1,741.16	1,342.37
(c) Write-off/write-back of excess provisions	(1,318.48)	(1,289.27)
(d) Closing balance	2,680.72	2,258.04

*NPA represent stage 3 assets

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

Name of the Joint Venture/ Subsidiary	Other Partner in the JV/Subsidiary	Country	Total Assets#	
			As at March 31, 2026	As at March 31, 2025
Mahindra Ideal Finance Limited	Ideal Finance Limited, Sri Lanka	Sri Lanka	539.64	287.95
Mahindra Finance USA, LLC*	De Lage Landen Financial Services	USA	4,869.30	4,653.59

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

#Figures represent ownership of MMFSL in the entities.

XV) 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

XVI) Participation in currency futures and currency options

The Company has not undertaken any transaction during the current year and previous year for currency futures and options.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

XVII) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities* As at March 31, 2026

Particulars	₹ in crore									
	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	Total
Deposits	110.80	78.58	301.59	300.72	358.94	1,891.44	3,193.24	7,189.49	771.23	14,196.03
Advances	1,533.82	2,219.17	4,989.33	4,812.34	4,720.09	11,247.19	19,512.35	56,579.84	19,719.69	1,30,160.14
Investments	87.56	187.19	12.06	217.42	442.26	520.53	214.31	1,679.12	1,383.95	6,820.37
Borrowings	1,146.93	246.45	4,312.91	6,871.29	8,026.94	8,094.58	17,982.01	39,302.92	7,178.31	1,00,416.55
Foreign Currency liabilities	0.73	-	40.98	-	-	16.88	-	5,663.69	-	5,722.28

As at March 31, 2025

Particulars	₹ in crore									
	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	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	1263.44	1869.91	1829.81	4063.99	4183.83	10,190.74	17737.94	53,247.59	18,108.83	1,16,214.02
Investments	785.40	8.89	597.48	1110.69	983.72	645.72	973.51	1,758.14	713.39	10,400.48
Borrowings	1,333.53	191.39	3977.45	3031.91	4394.10	7661.11	12,639.18	41,650.92	12,261.88	94,447.23
Foreign Currency liabilities	-	200.12	40.98	-	-	23.62	1,647.66	5,109.71	-	7,022.09

*Figures based on contractual maturity.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

XVIII) Disclosure of complaints

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

₹ in crore			
Sr no	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	3,555	405
2	Number of complaints received during the year	52,574	43,174
3	Number of complaints disposed during the year	55,217	40,024
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	912	3,555
Maintainable complaints received by the NBFC from Office of Ombudsman			
5*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	2,309	1,737
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	325	528
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	627	428
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
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

₹ in crore					
Particulars	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, 2026					
Loan and advances	1,404	35,121	38%	380	80
Levy of charges without prior notice/excessive charges/ foreclosure charges	684	6,887	76%	131	34
Staff behaviour	612	3,809	47%	226	22
Fraud	447	1,853	13%	68	24
Repossession	161	1,419	104%	45	7
Others	247	3,485	-61%	62	13
Total	3,555	52,574	22%	912	180

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

b) Top five grounds of complaints received by the NBFCs from customers (Contd.)

₹ in crore					
Particulars	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	25,396	148%	1,404	194
Levy of charges without prior notice/excessive charges/foreclosure charges	12	3,908	364%	684	16
Staff behaviour	111	2,583	1%	612	387
Fraud	42	1,643	233%	447	259
Difficulty in operation of accounts	2	880	215%	45	22
Others	116	8,764	123%	363	226
Total	405	43,174	142%	3,555	1,104

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, 2025, 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

₹ in crore		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
i) Directors and their relatives	-	-
ii) Entities associated with Directors and their relatives	-	-
iii) Senior officers and their relatives	-	-

XXIII) Related party disclosures

(refer annexure - 1)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

XXIV) Public disclosure on liquidity risk:

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

As at March 31, 2026

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (₹ in crore)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	19	78,449.39	552.6%	63.7%

As at March 31, 2025

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

b) Top 20 large deposits (amount in ₹ in crore and % of total deposits)

As at March 31, 2026

Particulars	Amount (₹ in crore)	% of Total deposits
Total for Top 20 large deposits	3,788.44	26.7%

As at March 31, 2025

Particulars	Amount (₹ in crore)	% of Total deposits
Total for Top 20 large deposits	3,229.25	28.3%

c) Top 10 borrowings (amount in ₹ in crore and % of total borrowings)

As at March 31, 2026

Particulars	Amount (₹ in crore)	% of Total borrowings
Total for Top 10 borrowings	63,072.17	52.41%

As at March 31, 2025

Particulars	Amount (₹ in crore)	% of Total borrowings
Total for Top 10 borrowings	59,289.58	52.53%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

d) Funding Concentration based on significant instrument/product*

₹ in crore

Sr. no.	Name of the instrument/product	As at March 31, 2026		As at March 31, 2025	
		Amount (₹ in crore)	% of Total liabilities	Amount (₹ in crore)	% of Total liabilities
1	Non-convertible debentures (Secured)	20,382.09	16.55%	24,051.35	20.78%
2	Term loans from banks (including FCNR loans)	55,718.10	45.25%	52,998.12	45.79%
3	External Commercial Borrowings	5,722.28	4.65%	7,022.09	6.07%
4	Associated liabilities in respect of securitization transactions	12,799.65	10.39%	8,684.41	7.50%
5	Triparty repo dealing and settlement (TREPs) against Government securities	-	0.00%	999.82	0.86%
6	Deposits	14,196.03	11.53%	11,404.15	9.85%
7	Subordinated redeemable non-convertible debentures	5,359.74	4.35%	5,529.57	4.78%
8	Commercial Papers (Unsecured)	6,156.97	5.00%	2,153.48	1.86%
9	Inter-corporate deposits (ICDs)	-	-	-	0.00%
		1,20,334.86	97.72%	1,12,842.99	97.50%
	Funding Concentration pertaining to insignificant instruments/products	-	0.00%	30.48	0.03%
	Total borrowings under all instruments/products	1,20,334.86	97.72%	1,12,873.47	97.53%

*The amount stated in this disclosure is based on the audited financial statements for the years ended March 31, 2025 and March 31, 2026.

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

e) Stock Ratios

As at March 31, 2026

Sr. no.	Name of the instrument/product	Amount (₹ in crore)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	6,156.97	5.12%	5.00%	4.16%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	10,266.85	8.53%	8.34%	6.94%

As at March 31, 2025

Sr. no.	Name of the instrument/product	Amount (₹ 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%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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, 2026, the Company maintained a liquidity buffer of approximately ₹ 9,191 crore.

Definition of terms as used in the table above:

a) Significant counterparty:

A Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) Significant instrument/product:

A Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities."

c) Total liabilities:

Total liabilities include all external liabilities (other than equity)."

d) Public funds:

"Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, Debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue. It includes total borrowings outstanding under all types of instruments/products.

e) Other short-term liabilities:

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

53 Annexure - 1
Related Party Disclosure for the year ended March 31, 2026

Sr No.	Item/Related Party	₹ in crore									
		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	Outstanding year end
1	Borrowings	-	-	-	(18.50)	-	18.50	-	-	-	-
2	Deposits	-	-	-	73.73	291.81	317.50	-	177.50	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	0.92	-	2.11	-	-
5	Investments	-	-	-	1,084.10	-	1,084.10	-	9.52	-	-
6	Purchase of fixed/other assets	116.98	-	-	0.38	-	-	-	35.95	-	-
7	Sale of fixed/other assets	0.25	-	-	0.29	-	-	-	7.58	-	-
8	Interest paid	-	-	-	22.08	-	-	-	13.49	-	-
9	Interest received	2.60	-	-	-	-	-	-	-	-	-
10	Others	-	-	-	-	-	-	-	-	-	-
	- Dividend paid	474.23	-	-	0.41	-	-	-	-	-	-
	- Lease rental income	116.63	-	-	-	-	-	-	30.86	-	-
	- Subvention/Incentive	3.20	-	-	-	-	-	-	9.52	-	-
	- Other Transactions	66.23	7.27	-	189.46	5.51	-	146.85	11.81	-	3.24
	Total	780.12	7.27	-	267.85	1,381.42	1,420.10	245.17	200.94	191.52	406.35

Sr No.	Item/Related Party	₹ in crore									
		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	Outstanding year end
1	Borrowings	-	-	-	-	-	-	-	-	(18.50)	-
2	Deposits	-	-	-	0.00	0.00	0.05	-	-	73.73	469.36
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	0.92	2.11
5	Investments	-	-	-	-	-	-	-	-	-	4.50
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	153.31	1,499.97
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-
8	Interest paid	-	-	-	0.00	-	-	-	-	-	-
9	Interest received	-	-	-	-	-	-	-	-	-	-
10	Others	-	-	-	-	-	-	-	-	-	-
	- Dividend paid	-	-	-	0.00	-	-	-	-	-	-
	- Lease rental income	-	-	-	-	-	-	-	-	474.64	-
	- Subvention/Incentive	-	-	-	-	-	-	-	-	147.49	-
	- Other Transactions	-	-	-	5.98	-	-	28.91	-	441.46	24.59
	Total	-	-	-	5.98	0.00	0.05	28.91	-	1,332.06	2,018.02

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

Sr No.	Item/Related Party	₹ in crore									
		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	Outstanding year end
1	Borrowings	-	-	-	(41.00)	21.64	65.19	-	-	-	-
2	Deposits	-	-	-	64.50	210.80	210.80	-	165.40	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	1,084.10	-	9.52	-	406.35	-	-
6	Purchase of fixed/other assets	126.34	-	-	0.26	-	-	-	-	-	-
7	Sale of fixed/other assets	0.44	-	-	0.05	-	-	-	-	-	-
8	Interest paid	-	-	-	13.54	-	-	-	-	-	-
9	Interest received	2.17	-	-	-	-	-	-	-	-	-
10	Others	-	-	-	-	-	-	-	-	-	-
	- Dividend paid	405.97	-	-	0.61	-	-	-	-	-	-
	- Lease rental income	93.73	-	-	-	-	-	-	-	-	-
	- Subvention/Incentive	19.17	-	-	-	-	-	-	-	-	-
	- Other Transactions	53.43	22.44	-	27.61	1.63	-	1.05	-	-	-
	Total	701.25	22.44	-	65.57	1,318.17	1,360.09	243.80	199.88	174.92	406.35

Sr No.	Item/Related Party	₹ in crore									
		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	Outstanding year end
1	Borrowings	-	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	(0.68)	0.17	0.17	0.10	2.48	2.61	65.19
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	-	-	-
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-	139.09	-
7	Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-
8	Interest paid	-	-	-	0.06	-	-	-	-	25.76	-
9	Interest received	-	-	-	-	-	-	-	-	2.17	-
10	Others	-	-	-	-	-	-	-	-	-	-
	- Dividend paid	-	-	-	1.02	-	-	-	-	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	1,031.98

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Liquidity Coverage Ratio (LCR) for the year ended March 31, 2026

₹ in crore								
Particulars	Quarter ended March 31, 2026		Quarter ended December 31 2025		Quarter ended September 30 2025		Quarter ended June 30 2025	
	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)	5,040.01	4,976.43	5,433.88	5,361.77	5,540.87	5,419.11	5,968.70	5,894.45
(refer note 1 and 2 below)								
Cash Outflows								
2 Deposits (for deposit taking companies)	307.56	353.69	248.54	285.82	271.26	311.95	319.51	367.43
3 Unsecured wholesale funding	1,309.27	1,505.66	1,477.30	1,698.89	548.90	631.23	630.66	725.26
4 Secured wholesale funding	4,791.72	5,510.47	3,455.19	3,973.47	3,304.66	3,800.36	3,442.97	3,959.41
5 Additional requirements, of which								
i) Outflows related to derivative exposures and other collateral requirements	79.31	91.20	69.62	80.06	44.45	51.12	114.78	132.00
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	646.33	743.27	650.92	748.56	848.97	976.32	1,612.75	1,854.66
7 Other contingent funding obligations	599.73	689.69	465.01	534.76	434.13	499.25	238.05	273.76
8 TOTAL CASH OUTFLOWS	7,733.92	8,893.98	6,366.58	7,321.56	5,452.37	6,270.23	6,358.72	7,312.52
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	6,079.81	4,559.86	6,161.43	4,621.07	5,636.03	4,227.02	5,805.93	4,354.45
11 Other cash inflows	8,358.12	6,268.59	11,375.55	8,531.66	9,050.59	6,787.94	8,906.51	6,679.88
12 TOTAL CASH INFLOWS	14,437.93	10,828.45	17,536.98	13,152.73	14,686.62	11,014.96	14,712.44	11,034.33
TOTAL ADJUSTED VALUES								
13 TOTAL HQLA	5,040.01	4,976.43	5,433.88	5,361.77	5,540.87	5,419.11	5,968.70	5,894.45
14 TOTAL NET CASH OUTFLOWS	(6,704.01)	(1,934.47)	(11,170.40)	(5,831.17)	(9,234.25)	(4,744.73)	(8,353.72)	(3,721.81)
25 % of Total Cash Out Flow	1,933.48	2,223.50	1,591.65	1,830.39	1,363.09	1,567.56	1,589.68	1,828.13
15 LIQUIDITY COVERAGE RATIO (%)	261%	223.81%	341%	293%	406%	346%	375%	322%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Computation of Net cash outflows

Notes:

- 1) The average weighted and unweighted amounts are calculated taking simple average based on daily observation for the respective quarter. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
- 2) Components of High Quality Liquid Assets (HQLA).

₹ in crore								
Particulars	Quarter ended March 31, 2026		Quarter ended December 31 2025		Quarter ended September 30 2025		Quarter ended June 30 2025	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I Assets to be included as HQLA without any haircut:								
- Cash	186.04	186.04	121.27	121.27	112.32	112.32	158.26	158.26
- Government securities	4,430.08	4,430.08	4,831.90	4,831.90	4,616.76	4,616.76	5,315.39	5,315.39
II Assets to be considered for HQLA with a minimum haircut of 15%:								
- Corporate Bonds	306.67	260.67	300.00	255.00	302.17	256.85	350.00	297.50
- Commercial Papers	117.22	99.64	180.71	153.60	509.62	433.18	145.05	123.30
II Assets to be considered for HQLA with a minimum haircut of 50%:								
- Commercial Papers	-	-	-	-	-	-	-	-
TOTAL	5,040.01	4,976.43	5,433.88	5,361.77	5,540.87	5,419.11	5,968.70	5,894.45

The Company complies with the guidelines for computation of the Liquidity Coverage Ratio and shall all times meet the minimum requirements of LCR as laid down by the Reserve Bank of India and as applicable from time to time. 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 HQLAs comprises of Cash*, Investment in Central and State Government Securities #,and highly-rated Corporate Bonds and Commercial papers, including those of Public

Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

* Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

#Investment in Central and State Government Securities- This also includes securities held as per the provisions of Section 45IB of the RBI Act, 1934 (reckoned as HQLA only to the extent of 80% of the required holding).

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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

₹ 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%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Computation of Net cash outflows

₹ in crore								
Net Cash outflows over the 30 days period	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)
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)

₹ in crore								
Particulars	Quarter ended March 31, 2025		Quarter ended December 31 2025		Quarter ended September 30 2025		Quarter ended June 30 2025	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
I Assets to be included as HQLA without any haircut:								
- 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	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

₹ in crore								
Particulars	Quarter ended March 31, 2025		Quarter ended December 31 2025		Quarter ended September 30 2025		Quarter ended June 30 2025	
	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)
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	4,871.85	4,378.71	5,164.29	4,642.97

The Company complies with the guidelines for computation of the Liquidity Coverage Ratio and shall all times meet the minimum requirements of LCR as laid down by the Reserve Bank of India and as applicable from time to time. 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 HQLAs comprises of Cash*, Investment in Central and State Government Securities #, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

*Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

#Investment in Central and State Government Securities- This also includes securities held as per the provisions of Section 45IB of the RBI Act, 1934 (reckoned as HQLA only to the extent of 80% of the required holding).

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Risks relating to foreign currency and interest rate is mitigated by entering in corresponding hedge transactions. Any potential collateral calls from the same forms a minuscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored by ALMCO and reviewed by ALCO.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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 September 30, 2025

₹ in crore					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half-year ended March 31, 2025	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of half-year ended September 30 2025*
	(A)	(B)	(C)	(D)	(E)
Personal Loans	57.66	4.17	0.17	28.50	24.82
Corporate persons ^	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others					
- Vehicle loans for commercial purpose	71.42	3.75	0.49	35.69	31.49
Total	129.08	7.92	0.66	64.19	56.31

Format - B: For the half year ended March 31, 2026

₹ in crore					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half-year ended September 30, 2025	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of half-year ended March 31, 2026*
	(A)	(B)	(C)	(D)	(E)
Personal Loans	24.82	1.38	0.11	15.09	8.24
Corporate persons ^	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others -					
- Vehicle loans for commercial purpose	31.49	1.04	0.22	17.10	13.13
Total	56.31	2.42	0.33	32.19	21.37

*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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

Format - B: For the half year ended September 30, 2024

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half-year ended March 31, 2024	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of half-year ended September 30 2024*
	(A)	(B)	(C)	(D)	(E)
Personal Loans	200.24	14.18	0.72	72.64	112.70
Corporate persons ^	15.52	-	-	10.82	4.70
Of which, MSMEs	-	-	-	-	-
Others -					-
- Vehicle loans for commercial purpose	269.60	13.97	1.62	108.52	145.49
Total	485.36	28.15	2.34	191.98	262.89

Format - B: For the half year ended March 31, 2025

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half-year ended September 30, 2024	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of half-year ended March 31, 2025*
	(A)	(B)	(C)	(D)	(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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

55. Disclosures Pursuant To Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025 vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated November 28, 2025

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, 2026

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	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	1,23,128.05	741.56	1,22,386.49	488.37	253.19
	Stage 2	6,389.63	513.64	5,875.99	19.66	493.98
Subtotal for standard		1,29,517.68	1,255.20	1,28,262.48	508.03	747.17
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,270.74	1,313.11	957.63	367.34	945.77
Doubtful - up to 1 year	Stage 3	1,554.94	615.47	939.47	875.88	(260.41)
1 to 3 years	Stage 3	717.46	716.87	0.59	577.11	139.76
More than 3 years	Stage 3	0.88	0.88	-	0.87	0.01
Subtotal for doubtful		2,273.28	1,333.22	940.06	1,453.86	(120.64)
Loss	Stage 3	34.36	34.39	(0.03)	34.60	(0.21)
Subtotal for NPA	Stage 3	4,578.38	2,680.72	1,897.66	1,855.80	824.92
Subtotal for Business Assets		1,34,096.06	3,935.92	1,30,160.14	2,363.83	1,572.09
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	74.87	62.10	12.77	57.33	4.77
	Stage 2	1.29	0.02	1.27	0.02	-
	Stage 3	0.07	0.04	0.03	0.04	-
Subtotal		76.23	62.16	14.07	57.39	4.77
Total	Stage 1	1,23,202.92	803.66	1,22,399.26	545.70	257.96
	Stage 2	6,390.92	513.66	5,877.26	19.68	493.98
	Stage 3	4,578.45	2,680.76	1,897.69	1,855.84	824.92
	Total	1,34,172.29	3,998.08	1,30,174.21	2,421.22	1,576.86

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

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 (Contd.)

Year ended March 31, 2025

₹ 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	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	432.77	165.71
	Stage 2	6,511.58	602.48	5,909.10	19.26	583.22
Subtotal for standard		1,15,259.07	1,200.96	1,14,058.11	452.03	748.93
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,587.43	924.28	1,663.15	438.85	485.43
Doubtful - up to 1 year	Stage 3	1,182.09	690.59	491.50	595.59	95.00
1 to 3 years	Stage 3	479.66	479.70	(0.04)	319.97	159.73
More than 3 years	Stage 3	1.22	1.16	0.06	0.93	0.23
Subtotal for doubtful		1,662.97	1,171.45	491.52	916.49	254.96
Loss	Stage 3	163.54	162.31	1.22	150.75	11.56
Subtotal for NPA		4,413.94	2,258.04	2,155.89	1,506.10	751.95
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	(46.36)	56.64	-
	Stage 2	1.33	0.02	1.31	0.02	-
	Stage 3	0.98	0.41	0.57	0.41	-
Subtotal		12.59	57.07	(44.48)	57.07	-
Total	Stage 1	1,08,757.77	655.12	1,08,102.65	489.41	165.71
	Stage 2	6,512.91	602.50	5,910.41	19.28	583.22
	Stage 3	4,414.92	2,258.45	2,156.46	1,506.51	751.95
	Total	1,19,685.60	3,516.07	1,16,169.53	2,015.20	1,500.88

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, 2026 and March 31 2025, 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

ii) As at March 31, 2026 and March 31 2025, 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2026

56 During the previous year ended March 31, 2025, the Company had made a contribution of ₹ 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 is no such contribution during the current year ended March 31, 2026.

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

For M M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No: 044577

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 24, 2026

Mumbai
April 24, 2026

Independent Auditor’s Report

To the Members of **Mahindra & Mahindra Financial Services Limited**
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, 2026, 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, 2026, 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 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 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, 2026. 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 (Refer Note 2.5(ii) for material accounting policies and Note 49.2 for credit risk disclosures of the Standalone Financial Statements)	
As at March 31, 2026, the Parent has reported gross loan assets of ₹ 1,34,096.05 crores against which an impairment loss of ₹ 3,935.91 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'.	Our audit included assessing the appropriateness of management's judgement 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. • 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 49 "Financial Risk Management" disclosed in the Standalone Financial Statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.
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.	
Factoring in forward looking scenario-based assessment of evolving domestic macroeconomic factors and regulatory, geopolitical developments impacting industry and specific segments.	
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.	

Key Audit Matter	How our audit addressed the key audit matter
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.	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 check 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), 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.
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.	

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, 2026

Key Audit Matter	Auditor's Response
Impairment of loans and advances	
The subsidiary has recognized impairment loss allowance of ₹ 37 crores in its Statement of Profit and Loss during the year 2025-26. The subsidiary has maintained impairment provisions amounting to ₹ 194.42 crores as at March 31, 2026.	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.
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.	

Key Audit Matter	Auditor's Response
- 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 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.	- 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 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 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 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 Standard 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal financial 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 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, 2026 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 ₹ 11,310.75 crores as at March 31, 2026, total revenue (before consolidation adjustments) of ₹ 2,800.19 crores and total net profit after tax (before consolidation adjustments) of ₹ 186.97 crores and net cash inflows of ₹ 74.22 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 profit after tax of ₹ 2.23 crores and total comprehensive income of ₹ 2.09 crores for the year ended March 31, 2026, 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 ₹ 67.41 crores and total comprehensive income of ₹ 67.41 crores for the year ended March 31, 2026, 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.

Report on Other Legal and Regulatory Requirements

19. 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:

- 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 aforesaid Consolidated Financial Statements;
- 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");
- 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;
- 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;
- 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, 2026 from being appointed as a Director in terms of Section 164(2) of the Act;

- 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;
- 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;
- 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:
 - 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;
 - The Group has made provision as on March 31, 2026 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as detailed in Note 47 to the Consolidated Financial Statement;
 - 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 18 to the Consolidated Financial Statements.
 - (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 38(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 38(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 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 the provision of 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 for one accounting software wherein master level logs were enabled from July 02, 2025, eleven accounting software (including two software migrated during the year) wherein, the audit trail logs were not maintained at database level throughout the year and two accounting software wherein, the limited audit trail logs were enabled from March 02, 2026 to log 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 apart from the exceptions mentioned above.
- 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 was not maintained for direct database changes in respect of two accounting applications for the period April 2025 to February 2026. 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.

20. 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 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.

For M M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No.: 044577
UDIN: 26044577WVYKLO4537

Place: Mumbai
Date: April 24, 2026

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No.: 041037
UDIN: 26041037IIGYSO6248

Place: Mumbai
Date: April 24, 2026

Annexure I

To the Independent Auditor's Report of even date to the members of Mahindra & Mahindra Financial Services Limited on the Consolidated Financial Statements for the year ended March 31, 2026

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 Limited of even date)

1. In conjunction with our audit of the Consolidated Financial Statements of the Mahindra & Mahindra Financial Services Limited (hereinafter referred to as "Parent"), its subsidiary companies, and joint ventures which are companies incorporated in India, as of March 31, 2026, 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

2. 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

3. 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 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 the Consolidated 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 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.

5. 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

6. 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

7. 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.

For M M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No.: 044577
UDIN: 26044577WVYKLO4537

Place: Mumbai
Date: April 24, 2026

Opinion

8. 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, 2026, 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

9. 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. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No.: 041037
UDIN: 26041037IIGYSO6248

Place: Mumbai
Date: April 24, 2026

Consolidated Balance Sheet

As at March 31, 2026

₹ in crore			
Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	465.45	1,830.25
b) Bank balance other than (a) above	4	7,102.67	4,016.95
c) Derivative financial instruments	5	402.60	30.95
d) Receivables			
i) Trade receivables	6	325.74	246.69
ii) Other receivables		-	-
e) Loans	7	1,39,264.83	1,23,513.56
f) Investments			
i) Investments accounted using Equity Method	8 (i)	1,271.05	1,106.19
ii) Other investments	(ii)	6,135.86	9,483.60
g) Other financial assets	9	238.33	262.84
		1,55,206.53	1,40,491.03
Non-financial Assets			
a) Current tax assets (Net)		623.26	736.36
b) Deferred tax assets (Net)	10 (i)	825.93	828.55
c) Property, plant and equipment	11 (a)	1,075.29	1,027.13
d) Capital work-in-progress	11 (b)	1.65	0.52
e) Intangible assets under development	12 (a)	5.42	65.64
f) Other intangible assets	12 (b)	253.02	179.82
g) Other non-financial assets	13	652.84	776.21
		3,437.41	3,614.23
Total Assets		1,58,643.94	1,44,105.26
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Derivative financial instruments	14	7.48	391.61
b) Payables	15		
I) Trade Payables			
i) total outstanding dues of micro enterprises and small enterprises		0.28	0.33
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,141.80	1,440.32
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		5.72	2.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		34.08	17.87
c) Debt Securities	16	30,727.90	29,861.90
d) Borrowings (Other than Debt Securities)	17	77,612.35	71,753.53
e) Deposits	18	14,129.61	11,373.97
f) Subordinated Liabilities	19	5,900.58	6,103.84
g) Other financial liabilities	20	1,492.01	1,042.44
		1,31,051.81	1,21,988.52
Non-Financial Liabilities			
a) Current tax liabilities (Net)		168.87	82.22
b) Provisions	21	465.29	256.74
c) Other non-financial liabilities	22	266.00	204.80
		900.16	543.76
EQUITY			
a) Equity Share Capital	23	277.91	246.98
b) Other Equity		26,360.73	21,282.48
Equity attributable to owners of the Company		26,638.64	21,529.46
Non-controlling interests		53.33	43.52
		26,691.97	21,572.98
Total Liabilities and Equity		1,58,643.94	1,44,105.26
The accompanying notes form an integral part of the consolidated financial statements.			
		1 to 58	

In terms of our report attached.
For M M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122W/W100672

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

Sanjay Khemani
Partner
ICAI Membership No: 044577

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

Mumbai
April 24, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

₹ in crore			
Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations			
i) Interest income	24	18,428.11	16,566.40
ii) Dividend income		0.01	-
iii) Rental income		174.86	153.45
iv) Fees, charges and commission income	25	909.52	527.87
v) Net gain/(loss) on fair value changes	26	37.18	21.97
vi) Sale of services	27	1,455.69	1,191.51
vii) Net gain on derecognition of financial instruments under amortized cost category		-	1.90
I Total Revenue from operations		21,005.37	18,463.10
II Other income	28	81.36	67.36
III Total income (I+II)		21,086.73	18,530.46
Expenses			
i) Finance costs	29	8,933.56	8,415.43
ii) Fees and commission expense		1,317.64	1,045.23
iii) Impairment on financial instruments	30	2,482.85	2,085.36
iv) Employee benefits expenses	31	2,509.62	2,354.94
v) Depreciation, amortization and impairment	32	386.08	321.21
vi) Others expenses	33	1,567.77	1,346.61
IV Total expenses		17,197.52	15,568.78
V Profit before exceptional items, share of profit of associate and joint venture and tax (III-IV)		3,889.21	2,961.68
VI Exceptional items	34	(132.95)	-
VII Share of Profit of Associate and Joint Venture		69.64	65.23
VIII Profit before tax (V +VI + VII)		3,825.90	3,026.91
IX Tax expense:	10 (ii)		
i) Current tax		979.94	820.93
ii) Deferred tax		(17.31)	(54.89)
iii) (Excess)/Short: Provision for Income Tax - earlier years		2.16	-
		964.79	766.04
X Profit for the year (VIII-IX)		2,861.11	2,260.87
XI Other Comprehensive Income (OCI)			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefit plans		(28.62)	(7.49)
- Net gain/(loss) on equity instruments through OCI		28.58	84.26
- Share of other comprehensive income/(loss) of equity accounted investees		(0.14)	(0.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	0.01	(19.33)
Subtotal (A)		(0.16)	57.34
(B) (i) Items that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		3.64	3.36
- Net gain/(loss) on debt instruments through OCI		(23.25)	97.38
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		102.73	(62.23)
- Share of other comprehensive income/(loss) of equity accounted investees		95.36	21.64
(ii) Income tax relating to items that will be reclassified to profit or loss	10 (iii)	(20.00)	(8.85)
Subtotal (B)		158.47	51.30
Other Comprehensive Income (A + B)		158.31	108.64
XII Total Comprehensive Income for the year (X + XI)		3,019.42	2,369.51
Profit for the year attributable to:			
Owners of the Company		2,854.53	2,261.87
Non-controlling interests		6.58	(1.00)
		2,861.11	2,260.87
Other Comprehensive Income for the year attributable to:			
Owners of the Company		156.87	107.23
Non-controlling interests		1.44	1.41
		158.31	108.64
Total Comprehensive Income for the year attributable to:			
Owners of the Company		3,011.40	2,369.10
Non-controlling interests		8.02	0.41
		3,019.42	2,369.51
XIII Earnings per equity share (Face value ₹ 2/- per equity share)	35		
Basic (Rupees)		20.88	17.78
Diluted (Rupees)		20.86	17.77
The accompanying notes form an integral part of the consolidated financial statements.		1 to 58	

In terms of our report attached.
For M M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122W/W100672

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

Sanjay Khemani
Partner
ICAI Membership No: 044577

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

Mumbai
April 24, 2026

Statement of Changes in Equity for Consolidated financial statements

for the year ended March 31, 2026

Particulars	₹ in crore	Amount
Issued, Subscribed and fully paid up:		
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 36a)	0.10	
Balance as at March 31, 2025		246.98
Balance as at April 1, 2025		246.98
Changes due to prior period errors		-
Restated balance as at April 1, 2025		246.98
Changes during the year:		
Add: i) Fresh allotment of shares through Rights Issue during the year (refer note 40)	30.89	
Add: Allotment of shares by ESOP Trust to employees on exercise of options (refer note 36a)	0.04	
Balance as at March 31, 2026		277.91

B. Other Equity

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													
Securities premium on shares allotted to ESOP Trust through Rights Issue											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
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

B. Other Equity (Contd.)

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, 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
Changes in accounting policy/ prior period errors													
Restated balance as at: April 1, 2025													
Profit for the year													
Other Comprehensive Income						2,854.53 (21.48)	- (17.39)	- 21.39	- 76.87	- 97.48	2,854.53 156.87	6.58 1.44	2,861.11 158.31
Total Comprehensive Income (including tax thereon)	-	-	-	-	-	2,833.05 (903.07)	(17.39)	21.39	76.87	97.48	3,011.40 (903.07)	8.02	3,019.42 (903.07)
Securities premium on fresh issue of equity share capital (refer note 40)			2,965.26								2,965.26		2,965.26
Expenses incurred in respect of issue of equity shares			(760)								(760)		(760)
Transfers to Securities premium on exercise of employee stock options			5.51		(5.51)						-		-
Securities premium on transfer of ESOP shares to employees from Grant created out of Rights Issue			0.20								0.20		0.20
Employee stock options expired				0.19	(0.19)						-		-
Share based payment expense					12.72						12.72		12.72
Transfers to Statutory reserves	569.29					(569.29)					-		-
Changes in Group's Interest						(0.66)					(0.66)	1.79	1.13
Balance as at March 31, 2026	4,219.39	50.00	10,158.77	814.69	33.14	10,732.92	(16.52)	105.91	23.02	239.41	26,360.73	53.33	26,414.06

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

In terms of our report attached.
For M NISSIM & CO LLP
Chartered Accountants
ICAI FRN: 107122/W/100672

Sanjay Khemani
Partner
ICAI Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

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

Mumbai
April 24, 2026

Statement of Consolidated cash flows

for the year ended March 31, 2026

Particulars	₹ in crore	
	Year ended March 31, 2026	Year ended March 31, 2025
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and taxes	3,889.21	2,961.68
Adjustments for:		
Depreciation, amortization and impairment	386.07	321.20
Impairment on financial instruments (excluding bad debts and write offs)	665.62	574.20
Provision for diminution in value of investments	-	-
Bad debts and write offs	1,959.17	1,558.91
Interest expense	8,950.26	8,561.85
Interest income from loans	(17,396.15)	(15,687.77)
Interest income from other deposits with banks	(430.43)	(318.80)
Net (Gain)/loss on fair value of derivative financial instruments	-	(107.25)
Unrealized foreign exchange (Gain)/loss	544.37	37.74
Share based payments to employees	14.32	5.90
Net (Gain)/loss on fair value changes	(14.71)	(2.37)
Interest income on investments	(474.67)	(524.37)
Net gain on derecognition of property, plant and equipment	(0.38)	(4.41)
Net (gain)/loss on sale of investments	(33.71)	(13.28)
Operating profit/(loss) before working capital changes	(1,941.03)	(2,636.77)
Adjustments for changes in working capital -		
Loans	(16,902.32)	(18,141.35)
Trade receivables	(84.35)	(68.30)
Other financial assets	21.08	(24.37)
Other financial liabilities	462.91	31.96
Other non-financial assets	99.48	(145.23)
Trade Payables	(270.98)	(191.61)
Other non-financial liabilities	185.15	(13.54)
Derivative financial instruments	(754.85)	131.08
Provisions	57.85	(8.06)
Cash generated from/(used in) operations before adjustments for interest received and interest paid	(19,127.06)	(21,066.19)
Interest paid	(8,876.04)	(6,522.04)
Interest received from loans	16,013.47	12,856.58
Cash generated from/(used in) operations	(11,989.63)	(14,731.65)
Income taxes paid (net of refunds)	(782.55)	(870.23)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	(12,772.18)	(15,601.88)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment and intangible assets	(416.27)	(441.89)
Proceeds from sale of Property, plant and equipment	68.03	69.10
Purchase of investments measured at amortized cost	(87.42)	(4,076.29)
Proceeds from sale of investments measured at amortized cost	283.42	4,011.31
(Increase)/decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	-	124.98
Purchase of investments measured at FVOCI	(638.70)	-
Proceeds from sale of investments measured at FVOCI	1,746.25	476.39
Purchase of investments measured at FVTPL	(50,277.57)	(18,373.51)
Proceeds from sale of investments measured at FVTPL	52,267.09	17,126.91
Consideration received on partial disposal of subsidiary, net of cash (loss of control)	-	-
Proceeds from term deposits with banks (including margin account with banks)	2,916.98	2,701.32
Investments in term deposits with banks (including margin account with banks)	(5,940.54)	(3,545.14)
Dividend income received	0.01	-
Interest received from other deposits with banks	347.75	324.80

Statement of Consolidated cash flows

for the year ended March 31, 2026

Particulars	₹ in crore	
	Year ended March 31, 2026	Year ended March 31, 2025
Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	500.38	525.22
Change in Earmarked balances with banks	0.11	(0.09)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	769.52	(1,076.89)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity shares, including securities premium (net of issue expenses)	2,988.56	-
Proceeds from borrowings through Debt Securities	20,582.82	28,723.60
Repayment of borrowings through Debt Securities	(19,527.67)	(29,913.08)
Proceeds from Borrowings (Other than Debt Securities)	50,591.78	42,918.51
Repayment of Borrowings (Other than Debt Securities)	(45,203.69)	(28,250.28)
Proceeds from borrowings through Subordinated Liabilities	29.08	1,600.00
Repayment of borrowings through Subordinated Liabilities	(234.82)	(284.04)
(Decrease)/Increase in loans repayable on demand and cash credit/overdraft facilities with banks (net)	(0.75)	-
Increase/(decrease) in Public deposits (net)	2,449.08	3,703.24
Payments of lease liability	(133.71)	(114.84)
Dividend paid	(903.48)	(777.78)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	10,637.20	17,605.33
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,365.46)	926.56
Cash and Cash Equivalents at the beginning of the year	1,830.50	903.54
Unrealised gain/(loss) on foreign currency cash and cash equivalents	0.41	0.15
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	465.45	1,830.25
Components of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the year		
- Cash on hand	46.98	58.99
- Cheques and drafts on hand	9.26	16.28
- Balances with banks in current accounts	280.15	340.57
- Term deposits with original maturity up to 3 months	129.02	1,412.00
- Interest accrued on Term deposits	0.04	2.41
Total	465.45	1,830.25

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
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

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

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 24, 2026

Notes forming part of the Consolidated Financial Statements

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 RBI, under Scale Based Regulations (SBR) had categorised the Parent Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022 and affirmed the same vide its Press release dated January 16, 2025. 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.

The Group presents its Balance Sheet in the order of liquidity.

The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

These consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on April 24, 2026.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain 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.

Notes forming part of the Consolidated Financial Statements

Associates

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. Investment in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

2.5 Measurement of fair values

The Group's certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2.6 Use of estimates and judgments and Estimation uncertainty

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities.

Effective Interest Rate (EIR) Method

The Group 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 50).

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.

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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.

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.

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, 2026.

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, is 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.

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- Interest income from 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 Group'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

Fees, charges and commission income are recognised in accordance with Ind AS 115 - Revenue from contracts with customers, when the performance obligation is satisfied and it is probable that economic benefits will flow to the Group. This includes insurance commission, foreclosure/prepayment charges, cheque bounce charges, etc.

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.

Notes forming part of the Consolidated Financial Statements

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.

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.

i) Dividend Income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).

j) Net gain/(loss) on fair value changes

The Group designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Group recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis. The gain/loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

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. PPE is assumed to have no residual value at the end of useful life, except for vehicles under operating lease where residual values are assessed on individual basis. 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)

Notes forming part of the Consolidated Financial Statements

are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -

- Assets costing less than ₹ 5000/- are fully depreciated in the period of purchase.
- Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.
- 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 except for those which are designated as hedging instruments in a hedging relationship as per Ind AS 109.

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

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or loss. Thus, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments

a) Initial Recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially 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.

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For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially 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.

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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. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. 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.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

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.

g) Impairment of financial instruments - overview of general approach

Expected credit losses ('ECL') are recognised on all financial assets, i.e. loans measured at amortized cost together with loan commitments and other financial assets except those classified as FVTPL and equity instruments as per the Board approved policy of the respective entities. Equity instruments are not subject to impairment under Ind AS 109 - Financial Instruments.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. On Stage 2 and Stage 3, lifetime ECL is provided for basis all possible default events likely to occur during the life of the financial instrument.

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 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.

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The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is forming part of the portfolio.

LGD: Loss Given Default represents expected losses on the EAD given that the event of default had occurred, considering the time value of money on recoveries determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default had occurred.

EAD: Exposure at Default represents the gross exposure balance when default had occurred. EAD is subject to impairment calculation for Stage 3 assets.

The Group has classified its overall loan portfolio into distinct product categories based on analysis of borrower behaviour, end use of underlying assets and the risk characteristics of customers. Accordingly, the estimation of ECL allowance has been done separately for each loan portfolios such as Retail vehicle loans, Small and Medium Enterprise loans, Lease facilities, Bill discounting facilities, Whole-sale advances to dealers and other unsecured loans considering the EAD, LGD and PD of respective product categories with availability of sufficient historical data. In case of portfolios where sufficient history is not available, industry level benchmarking/proxy is used to estimate ECL allowance.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognised.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

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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.

The Group undertakes comprehensive review of its Expected Credit Loss (ECL) model every year by refreshing Probability of Default (PD), Loss Given Default (LGD) and other input parameters basis sufficient historical data along with updation related to latest multi-factor macro-economic growth estimates, shifts in market drivers and changes in risk profile of customer credit exposures for computation of ECL provisions for loan portfolios across various product categories.

A more detailed description of the methodology used for ECL and resultant quantitative information are covered in the 'Credit Risk Management' section of note no. 50 (2).

j) Write offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of

further recovery. This is generally the case when the Group determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off as per the Group's policy. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to Provident Fund and ESIC and National Pension Scheme

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation scheme and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which an entity pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India and the Group 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.

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

Notes forming part of the Consolidated Financial Statements

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.

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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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.

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.

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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 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 recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Provisions, contingent liabilities, contingent assets and commitments:

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.

Commitments are future liabilities for contractual obligation. The commitments are classified and disclosed as follows:

- i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

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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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;

Notes forming part of the Consolidated Financial Statements

- 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 Cash and Cash Equivalents:

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents), and short-term deposits.

2.19 Earnings per share:

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 - Earnings per Share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.20 Exceptional Items:

Exceptional items are those items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure in the financial statements is considered necessary to explain the performance of the Group.

2.21 Other Expenses:

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

2.22 Share Issue Expenses:

Incremental costs directly attributable to the issue of equity instruments (like rights issue) are recognised as a deduction from securities premium, net of tax. Other costs are recognised in profit or loss as incurred. If the proposed issue is not completed, such costs are expensed immediately.

2.23 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, 2026, there is no new standard notified or amendment to any of the existing standards under Companies (Indian Accounting Standards) Rules, 2015.

On November 21, 2025, the Government of India notified the provisions of four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively "new Labour Codes") which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.

Notes forming part of the Consolidated Financial Statements

3. Cash and cash equivalents

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Cash on hand	46.98	58.99
Cheques and drafts on hand	9.26	16.28
Balances with banks in current accounts	280.15	340.57
Term deposits with original maturity up to 3 months	129.02	1,412.00
Interest accrued on Term deposits	0.04	2.41
	465.45	1,830.25

4. Bank balances other than cash and cash equivalents

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Earmarked balances with banks -		
- Unclaimed dividend accounts	0.55	0.66
Term deposits (with original maturity - more than 3 months)		
- Free	4,634.42	2,416.89
- Under lien#	2,235.81	1,429.66
Interest accrued on Term deposits	231.89	169.74
	7,102.67	4,016.95

#Details of Term deposits - Under lien

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
	Bank balances other than cash and cash equivalents (Note 4)	Bank balances other than cash and cash equivalents (Note 4)
For Statutory Liquidity Ratio	210.00	356.00
For securitization transactions	1,963.22	982.78
Legal deposits	8.11	8.27
For towards Constituent Subsidiary General Ledger (CSGL) account	30.00	30.00
Other collateral deposits	24.48	52.61
Total	2,235.81	1,429.66

Notes forming part of the Consolidated Financial Statements

5. Derivative financial instruments

Particulars	As at March 31, 2026		As at March 31, 2025	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
Currency/interest rate derivatives hedged:				
Forward contracts	5,141.00	397.06	1,669.00	5.26
Interest Rate Swaps	-	-	827.70	25.69
Interest rate derivatives:				
Interest rate swaps	-	5.54	-	-
Total derivative financial instruments	5,141.00	402.60	2,496.70	30.95

6. Receivables

Particulars	March 31, 2026		March 31, 2025	
Trade receivables				
i) Secured, considered good*				
- Lease rental receivable on operating lease transactions		5.02		3.15
Less: Impairment loss allowance		(0.10)		(0.43)
		4.92		2.72
ii) Unsecured, considered good:				
- Subvention and other income receivables		320.82		243.97
iii) Credit impaired*:				
- Trade receivable outstanding				
- Subvention and other income receivables		1.75		1.26
		1.75		1.26
Less: Impairment loss allowance		(1.75)		(1.26)
		-		-
		325.74		246.69

*Includes amount 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.

Notes forming part of the Consolidated Financial Statements

Trade Receivables aging schedule

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	325.57	0.28	-	-	-	325.85
- which have significant increase in credit risk	0.60	-	-	-	-	0.60
- credit impaired	0.81	-	0.20	0.08	0.05	1.14
ii) Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	326.98	0.28	0.20	0.08	0.05	327.59

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

As at March 31, 2025

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.

Reconciliation of impairment loss allowance on trade receivables

Particulars	March 31, 2026	March 31, 2025
Impairment loss allowance as at beginning of the year	(1.69)	(9.99)
Net increase/(decrease) during the year	(0.16)	8.30
Impairment loss allowance at the end of the year	(1.85)	(1.69)

Notes forming part of the Consolidated Financial Statements

7. Loans

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
A) Loans (at amortised cost):		
Retail loans	1,22,410.36	1,09,650.30
Small and Medium Enterprise (SME) financing	5,740.61	4,825.83
Loans under housing finance business	8,512.15	7,503.09
Bills of exchange	2,349.51	1,322.71
Trade Advances	3,163.21	3,199.20
Finance lease	1,229.00	1,087.23
Other loans and advances	0.30	0.05
Total (Gross)	1,43,405.14	1,27,588.41
Less: Impairment loss allowance	(4,140.31)	(4,074.85)
Total (Net)	1,39,264.83	1,23,513.56
B) i) Secured by tangible assets	1,35,612.84	1,21,413.16
ii) Secured by intangible assets	-	-
iii) Covered by bank/Government guarantees	-	11.82
iv) Unsecured#	7,792.30	6,163.43
Total (Gross)	1,43,405.14	1,27,588.41
Less: Impairment loss allowance	(4,140.31)	(4,074.85)
Total (Net)	1,39,264.83	1,23,513.56
C) i) Loans in India		
a) Public Sector	-	-
b) Others	1,42,586.77	1,27,154.40
Total (Gross)	1,42,586.77	1,27,154.40
Less: Impairment loss allowance	(4,128.44)	(4,068.35)
Total (Net) - C (i)	1,38,458.33	1,23,086.05
ii) Loans outside India	818.37	434.01
Less: Impairment loss allowance	(11.87)	(6.50)
Total (Net) - C (ii)	806.50	427.51
Total (Net) - C (i+ii)	1,39,264.83	1,23,513.56

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 receivables from related parties details of which are given in note no 52 'Related Party Disclosures'.
- 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 that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

#Previous year includes loans against Fixed Deposits.

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8. Investments accounted using Equity Method

Particulars	₹ in crore		March 31, 2026		March 31, 2025	
	Amortized cost	Through OCI	At Fair Value		At Fair Value	
			Through OCI	profit or loss	Through OCI	profit or loss
Equity instruments of associate -						
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)					1,060.42	897.66
Equity instruments of joint venture -						
Mahindra Manulife Investment Management Private Ltd.					209.08	207.08
Mahindra Manulife Trustee Private Ltd.					1.55	1.45
Total - Gross (A)					1,271.05	1,106.19
i) Investments outside India					1,060.42	897.66
ii) Investments in India					210.63	208.53
Total - Gross					1,271.05	1,106.19
Less: Allowance for Impairment loss (B)					-	-
Total - Net C (A - B)					1,271.05	1,106.19
ii) Other investments						
Particulars	Amortized cost	Through OCI	At Fair Value	Through OCI	Others (at cost)	Total
Units of mutual funds						
Government securities	950.63	3,346.47	3,346.47	3,346.47	-	4,297.10
Debt securities -						
i) Investment in Bonds	25.54	302.41	302.41	302.41	-	327.95
ii) Commercial Papers	-	124.03	124.03	124.03	-	124.03
iii) Certificate of deposits with banks	-	-	773.60	773.60	-	773.60
iv) Investments in security receipt	-	-	79.67	79.67	-	79.67
v) Non-Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)#	-	-	-	-	-	-
Equity instruments of other entities at fair value -						
i) Equity investment in Smartshift Logistics Solutions Private Limited	-	129.05	-	129.05	-	129.05
ii) Equity Investment in Unquoted shares of CRIB, Sri Lanka	-	0.01	-	0.01	-	0.01

Notes forming part of the Consolidated Financial Statements

Particulars	March 31, 2026				March 31, 2025			
	Amortized cost	Through OCI	At Fair Value	Sub-total	Others (at cost)	Sub-total	Others (at cost)	Total
			profit or loss					
iii) New Democratic Electoral Trust	-	0.02	-	0.02	-	0.02	-	0.02
iv) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)	-	-	0.10	0.10	-	0.18	-	0.18
Others -								
i) Compulsorily Convertible Cumulative Participating Preference Shares (CCCCPS) in Smartshift Logistics Solutions Private Limited	26.18	-	-	26.18	-	19.29	-	19.29
ii) Interest accrued on Government securities	15.67	57.67	-	57.67	73.34	76.14	-	97.11
iii) Interest accrued on Bonds	0.06	6.69	-	6.69	6.75	11.77	-	11.83
Total - Gross (A)	991.90	3,868.50	1,355.13	5,223.63	6,215.53	1,255.87	4,925.94	3,301.79
i) Investments outside India	68.20	-	-	-	68.20	36.07	0.01	-
ii) Investments in India	923.70	3,868.50	1,355.13	5,223.63	6,147.33	1,219.80	4,925.93	3,301.79
Total - Gross	991.90	3,868.50	1,355.13	5,223.63	6,215.53	1,255.87	4,925.94	3,301.79
Less: Allowance for Impairment loss (B)	-	-	79.67	79.67	-	-	-	-
Total - Net C (A - B)	991.90	3,868.50	1,275.46	5,143.96	6,135.86	1,255.87	4,925.94	3,301.79

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

9. Other financial assets

Particulars	March 31, 2026	March 31, 2025
Security Deposits		
Gross	61.37	113.41
Less: Impairment loss allowance	(1.02)	(0.48)
Net	60.35	112.93
Excess Interest Spread on Direct Assignment	0.77	1.90
Others*		
Gross	178.39	148.96
Less: Impairment loss allowance	(1.18)	(0.95)
Net#	177.21	148.01
	238.33	262.84

*includes receivables related to lease reimbursement receivable and online payment aggregators.

Notes forming part of the Consolidated Financial Statements

Reconciliation of impairment loss allowance on other financial assets:

Particulars	March 31, 2026	March 31, 2025
Impairment loss allowance as at beginning of the year	1.43	0.72
Net increase/(decrease) during the year	0.77	0.71
Impairment loss allowance at the end of the year	2.20	1.43

10. Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

Particulars	Balance as at April 1, 2024	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at March 31, 2025	(Charge)/ credit to profit and loss	Acquired in business combination & Translation differences	Charge/ (credit) to OCI	Balance as at March 31, 2026
Tax effect of items constituting deferred tax liabilities:									
- Share based payments	(6.42)	(2.51)	-	-	(8.93)	(5.62)	-	-	(14.55)
- Application of EIR on financial assets & liabilities	(82.20)	(14.15)	-	-	(96.35)	(21.50)	-	-	(117.85)
- FVTPL financial asset	(6.06)	(1.34)	-	-	(7.40)	(0.75)	-	-	(8.15)
- Others#	(82.23)	10.50	0.04	-	(71.69)	(64.85)	0.06	-	(136.48)
	(176.91)	(7.50)	0.04	-	(184.37)	(92.72)	0.06	-	(277.03)
Tax effect of items constituting deferred tax assets:									
- Provision for employee benefits	35.47	(0.63)	-	1.87	36.71	3.30	-	7.20	47.21
- Net gain/(loss) on equity instruments through OCI	-	-	-	(21.20)	(21.20)	-	-	(7.19)	(28.39)
- Amortization and Interest in respect of lease payments	-	1.60	-	-	1.60	0.04	-	-	1.64
- Derivatives	48.91	0.68	-	-	49.59	0.27	-	-	49.86
- ECL provision on stage 3 assets	651.59	55.64	-	(24.51)	682.72	46.69	-	5.85	735.26
- ECL provision on stage 1 and 2 assets	137.53	12.78	-	-	150.31	6.62	-	-	156.93
- Other provisions	105.21	(7.68)	-	15.66	113.19	53.11	-	(25.85)	140.45
	978.71	62.39	-	(28.18)	1,012.92	110.03	-	(19.99)	1,102.96
Net deferred tax assets	801.80	54.89	0.04	(28.18)	828.55	17.31	0.06	(19.99)	825.93

#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

Particulars	March 31, 2026	March 31, 2025
Current tax:		
In respect of current year	979.94	820.93
In respect of prior years	2.16	-
	982.10	820.93
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(17.31)	(54.89)
	(17.31)	(54.89)
Total Income tax recognised in Statement of profit and loss	964.79	766.04

Notes forming part of the Consolidated Financial Statements

(iii) Income tax recognized in Other Comprehensive Income

Particulars	March 31, 2026	March 31, 2025
Income tax related to items recognised in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	7.20	1.87
Net gain/(loss) on equity instruments through OCI	(7.19)	(21.20)
Net fair value gain on investments in debt instruments at FVTOCI	5.85	(24.51)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(25.85)	15.66
Total Income tax recognised in Other Comprehensive Income	(19.99)	(28.18)

Particulars	March 31, 2026	March 31, 2025
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	0.01	(19.33)
Income taxes related to items that will be reclassified to profit or loss	(20.00)	(8.85)
Total	(19.99)	(28.18)

(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:

Particulars	March 31, 2026	March 31, 2025
Profit before tax	3,756.26	2,961.68
Applicable income tax rate	25.168%	25.168%
Expected income tax expense	945.38	745.40
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	(44.63)	(3.89)
Effect of expenses/provisions not deductible in determining taxable profit		
a) Penalty (case settlement, MSME interest, other penalties)	0.28	0.07
b) Donation and CSR	12.62	15.02
c) Any other item	16.95	8.67
Effect of tax incentives and concessions (research and development and other allowances)		
a) Section 80JJAA	(6.83)	(7.09)
b) Others	(4.86)	(3.41)
Effect of differential tax rate	1.68	0.92
Adjustments recognised in the current year in relation to the current tax of prior years	2.16	(2.91)
Others		
a) Impact of vivad se vishwas	-	7.83
b) Deferred Tax	(2.94)	0.85
c) Interest u/s 234 on Current Tax	-	0.32
d) Excess Tax Provision for CY	-	0.44
e) Others	44.98	3.83
Reported income tax expense	964.79	766.04

Notes forming part of the Consolidated Financial Statements

Particulars	Land (Freehold)	Buildings	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Leasehold improvement	Plant & Machinery under lease	Sub-Total (a)	Right-Of-Use Assets (Leasehold premises) (b)	Total (a + b)
GROSS CARRYING AMOUNT												
Balance as at April 1, 2024	0.81	1.32	178.17	121.86	105.73	154.28	460.50	14.06	0.13	1,036.86	681.25	1,718.11
Additions during the year	-	-	21.35	10.26	8.43	40.59	199.97	5.16	-	285.76	110.86	396.62
Foreign exchange translation differences	-	-	0.04	0.22	0.14	0.04	-	-	-	0.44	0.44	0.88
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	186.53	127.22	108.87	151.66	572.46	19.22	-	1,167.28	714.23	1,881.51
Balance as at April 1, 2025	-	1.32	186.53	127.22	108.87	151.66	572.46	19.22	-	1,167.28	714.23	1,881.51
Additions during the year	-	-	18.19	10.03	11.97	38.41	247.81	6.50	-	332.91	97.76	430.67
Foreign exchange translation differences	-	-	0.02	0.26	0.17	0.03	-	-	-	0.48	0.51	0.99
Disposals/deductions during the year##	-	-	17.49	6.32	5.69	39.39	121.06	0.33	-	190.28	54.39	244.67
Balance as at March 31, 2026	-	1.32	187.25	131.19	115.32	150.71	699.21	25.39	-	1,310.39	758.11	2,068.50
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES												
Balance as at April 1, 2024	-	0.39	117.28	84.74	75.72	76.88	130.99	2.94	0.10	489.04	246.10	735.14
Additions during the year	-	0.02	37.83	8.66	10.59	30.62	86.64	1.89	-	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	142.18	89.20	81.13	77.48	178.94	4.83	-	574.17	280.21	854.38
Balance as at April 1, 2025	-	0.41	142.18	89.20	81.13	77.48	178.94	4.83	-	574.17	280.21	854.38
Additions during the year	-	0.02	25.81	9.90	11.94	32.39	112.20	2.77	-	195.03	105.66	300.69
Foreign exchange translation differences	-	-	0.03	0.17	0.10	0.01	-	-	-	0.31	0.24	0.55
Disposals/deductions during the year	-	-	17.41	4.41	5.32	28.35	66.56	0.10	-	122.15	40.84	162.99
Impairment losses during the year###	-	-	-	-	0.03	-	0.55	-	-	0.58	-	0.58
Balance as at March 31, 2026	-	0.43	150.61	94.86	87.88	81.53	225.13	7.50	-	647.94	345.27	993.21
NET CARRYING AMOUNT												
As at March 31, 2025	-	0.91	44.35	38.02	27.74	74.18	393.52	14.39	-	593.12	434.02	1,027.13
As at March 31, 2026	-	0.89	36.64	36.33	27.44	69.18	474.08	17.89	-	662.45	412.84	1,075.29

##Secured Non-Convertible Debentures(NCDs) have pari passu charge on building situated at Chhatrapati Sambhaji Nagar erstwhile "Aurangabad" having carrying value of ₹ 0.03 as on March 31, 2026 (March 31, 2025: ₹ 0.23)

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

###On the basis of impairment analysis done by the management, certain PPE are found to be not in use, hence impaired.

There is no immovable property where title deed of such immovable property is not held in name of the Group or jointly held with others.

The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)

Notes forming part of the Consolidated Financial Statements

11. (b) Capital Work in Progress

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Opening balance	0.52	0.15
Additions	6.51	3.57
Deductions/Adjustments	5.38	3.20
Closing balance	1.65	0.52

Ageing for capital work-in-progress

As at March 31, 2026

₹ in crore					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	1.65	-	-	-	1.65
Total	1.65	-	-	-	1.65

As at March 31, 2025

₹ in crore					
Particulars	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

12. (a) Intangible Assets Under Development Aging schedule

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Opening balance	65.64	105.10
Additions	57.71	65.64
Deductions/Adjustments	117.93	105.10
Closing balance	5.42	65.64

Ageing for intangible assets under development

As at March 31, 2026

₹ in crore					
Particulars	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	5.42	-	-	-	5.42
Total	5.42	-	-	-	5.42

Notes forming part of the Consolidated Financial Statements

As at March 31, 2025

₹ in crore					
Particulars	Amount for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	65.50	0.14	-	-	65.64
Total	65.50	0.14	-	-	65.64

12. (b) Other Intangible assets

₹ in crore	
Particulars	Computer Software
GROSS CARRYING AMOUNT	
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
Balance as at April 1, 2025	345.53
Additions during the year	158.04
Foreign exchange translation differences	0.07
Additions through business combinations	-
Deductions during the year	16.87
Balance as at March 31, 2026	486.77
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
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
Balance as at April 1, 2025	165.71
Additions during the year	77.78
Foreign exchange translation differences	0.03
Deductions during the year	16.80
Impairment losses during the year#	7.03
Balance as at March 31, 2026	233.75
NET CARRYING AMOUNT	
As at March 31, 2025	179.82
As at March 31, 2026	253.02

The Group has not revalued its Intangible Assets.

The Group does not have any project temporarily suspended or any CWIP and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP and intangible asset under development completion schedule is not applicable.

#On the basis of impairment analysis done by the management, certain softwares are found to be not in use, hence impaired.

Notes forming part of the Consolidated Financial Statements

13. Other non-financial assets

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Capital advances	64.06	81.90
Prepaid expenses	97.64	106.57
Balances with Government Authorities	466.10	532.29
Unamortised placement and arrangement fees paid on borrowing instruments	-	0.05
Insurance advances	16.72	31.93
Other advances	8.32	23.47
	652.84	776.21

14. Derivative financial instruments

₹ in crore				
Particulars	March 31, 2026		March 31, 2025	
	Notional amounts	Fair value of Assets	Notional amounts	Fair value of Assets
Currency/interest rate derivatives Unhedged:				
Currency swaps/Options	-	-	241.06	47.05
Total (A)	-	-	241.06	47.05
Currency/interest rate derivatives Hedged:				
Forward contracts	-	-	4,303.13	262.76
Currency swaps/Options	1,641.16	7.48	1,541.16	81.80
Total (B)	1,641.16	7.48	5,844.29	344.56
Total derivative financial instruments (A+B)	1,641.16	7.48	6,085.35	391.61

Movement in Cash Flow Hedge Reserve

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the year	(53.85)	(7.28)
Recognised on Cash Flow Hedge Reserve	102.73	(62.23)
Reclassified to profit or loss	-	-
Income Tax relating to gain/loss on the OCI	(25.85)	15.66
	23.02	(53.85)

15. Payables

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	0.28	0.33
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,141.80	1,440.32

Notes forming part of the Consolidated Financial Statements

15. Payables (Contd.)

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	5.72	2.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.08	17.87
	1,181.88	1,461.23

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:

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
a) Dues remaining unpaid to any supplier at the year end		
- Principal	6.00	3.04
- 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	-	-

Trade Payables aging schedule

As at March 31, 2026

₹ 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	6.00	-	-	-	6.00
ii) Others	1,090.22	60.40	14.19	11.07	1,175.88
Total	1,096.22	60.40	14.19	11.07	1,181.88
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.

Notes forming part of the Consolidated Financial Statements

Trade Payables aging schedule

As at March 31, 2025

₹ in crore					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	2.16	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.

16. Debt Securities

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
At Amortised cost		
Non-convertible debentures (Secured)	22,351.62	25,239.18
Non-convertible debentures (Unsecured)	1,479.49	2,163.31
Commercial Papers (Unsecured)	6,896.79	2,459.41
Rupee Denominated Secured Bonds overseas (Masala Bonds)	-	-
Total	30,727.90	29,861.90
Debt securities in India	30,727.90	29,861.90
Debt securities outside India	-	-
Total	30,727.90	29,861.90

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):

₹ in crore				
From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
A) Issued on private placement basis (wholesale)				
Repayable on maturity:				
Maturing within 1 year	7.99%-8.46%	3,675.00	6.25%-9.00%	6,858.50
Maturing between 1 year to 3 years	7.05%-9.18%	9,188.60	6.35%-8.45%	7,159.23

Notes forming part of the Consolidated Financial Statements

Details of Non-convertible debentures (Secured): (Contd.)

₹ in crore				
From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing between 3 years to 5 years	7.45%-8.48%	4,601.80	7.75%-9.18%	6,062.60
Maturing beyond 5 years	7.45%-8.35%	3,110.50	7.45%-8.35%	3,108.90
Sub-total at face value		20,575.90		23,189.23
Repayable in Half yearly instalments:				
Maturing within 1 year	6.35%	56.25	6.35%	112.50
Maturing between 1 year to 3 years		-	6.35%	56.25
Maturing between 3 years to 5 years		-		-
Sub-total at face value		56.25		168.75
Sub-total at face value (A)		20,632.15		23,357.98
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				
Sub-total at face value (B)		869.15		869.15
Total at face value (A+B)		21,501.30		24,227.13
Less: Unamortised discounting charges		15.06		25.59
Add: Interest accrued but not due		865.38		1,037.64
Total amortised cost		22,351.62		25,239.18

Details of Non-convertible debentures (Unsecured):

₹ in crore				
From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year		-	8.32%-8.55%	675.00
Maturing between 1 year to 3 years	8.32%	375.00	8.32%	375.00
Maturing between 3 years to 5 years		-		-
Maturing beyond 5 years	8.53%	1,000.00	8.53%	1,000.00
Total at face value		1,375.00		2,050.00
Less: Unamortised discounting charges		4.28		4.65
Add: Interest accrued but not due		108.77		117.96
Total amortised cost		1,479.49		2,163.31

Notes forming part of the Consolidated Financial Statements

Details of Commercial Papers (Unsecured):

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year	6.60%-7.66%	7,050.00	7.75%-8.00%	2,500.00
Total at face value		7,050.00		2,500.00
Less: Unamortised discounting charges		153.21		40.59
Add: Interest accrued but not due				-
Total amortised cost		6,896.79		2,459.41

17. Borrowings (Other than Debt Securities)

Particulars	March 31, 2026	March 31, 2025
At Amortised cost		
a) Term loans		
i) Secured		
- from banks	58,552.98	54,837.66
- from banks in foreign currency	340.31	110.91
- External Commercial Borrowings	5,722.28	7,022.09
- Associated liabilities in respect of securitisation transactions	12,943.51	8,744.61
- Triparty repo dealing and settlement (TREPs) against Government securities	-	999.82
- from other parties (National Housing Bank)	-	-
ii) Unsecured		
- from banks	-	-
- from other parties	-	-
b) Loans from related parties		
Unsecured		
- Inter-corporate deposits (ICDs)	-	-
c) Loans repayable on demand		
Secured		
- from banks	29.91	29.60
- Cash credit facilities with banks	-	-

Notes forming part of the Consolidated Financial Statements

17. Borrowings (Other than Debt Securities) (Contd)

Particulars	March 31, 2026	March 31, 2025
d) Other loans and advances		
Unsecured		
- Inter-corporate deposits (ICDs) other than related parties	23.36	8.84
- Loans (other than ICD)	-	-
Total	77,612.35	71,753.53
Borrowings in India	71,549.76	64,620.53
Borrowings outside India	6,062.59	7,133.00
Total	77,612.35	71,753.53

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.

Details of term loans from banks (Secured)

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
1) Repayable on maturity:				
Maturing within 1 year	6.11%-8.60%	7,302.54	7.60%-9.20%	1,741.00
Maturing between 1 year to 3 years	7.25%	100.00	7.70%-8.29%	500.00
Maturing between 3 years to 5 years		-		-
Total for repayable on maturity		7,402.54		2,241.00
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	4.50%-8.25%	17,502.77	5.70%-9.05%	12,031.06
Maturing between 1 year to 3 years	4.90%-8.25%	21,634.09	5.75%-8.55%	19,296.01
Maturing between 3 years to 5 years	4.90%-7.85%	1,617.99	6.40%-8.80%	4,583.01
Maturing beyond 5 years		-		-
Sub-Total		40,754.85		35,910.08

Notes forming part of the Consolidated Financial Statements

Details of term loans from banks (Secured) (Contd.)

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
iii) Half yearly				
Maturing within 1 year	6.62%-8.2%	2,058.80	6.72%-9.05%	3,179.76
Maturing between 1 year to 3 years	6.62%-8.2%	2,900.24	7.75%-9.05%	5,236.18
Maturing between 3 years to 5 years	6.78%-6.85%	447.81	7.79%-8.60%	1,481.78
Maturing beyond 5 years	-	-	8.0%	50.00
Sub-Total		5,406.85		9,947.72
iv) Yearly				
Maturing within 1 year	6.50%-9.00%	2,762.94	7.19%-9.00%	2,405.42
Maturing between 1 year to 3 years	6.50%-9.00%	2,012.33	8.30%-9.00%	3,971.39
Maturing between 3 years to 5 years	6.50%-8.10%	130.00	9.0%	265.00
Sub-Total		4,905.27		6,641.81
Total for repayable in instalments		51,066.97		52,499.61
Total (1+2) (As per contractual terms)		58,469.51		54,740.61
Less: Unamortised Finance Cost		0.33		0.25
Add: Interest accrued but not due		83.80		97.30
Total Amortised Cost		58,552.98		54,837.66

Details of Secured term loans from banks in foreign currency (LKR)

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year	7.5% -10.67%	217.60	7.76% - 10.45%	92.91
Maturing between 1 year to 3 years	9.67%-10.5%	114.75	9.45% - 10.50%	17.81
Maturing between 3 years to 5 years	9.67%-10.5%	7.17		-
Total		339.52		110.72
Less: Unamortised Finance Cost		0.26		0.08
Add: Interest accrued but not due		1.05		0.27
Total Amortised Cost		340.31		110.91

Notes forming part of the Consolidated Financial Statements

Details of External Commercial Borrowings (USD & JPY)

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 year	-	-	6.61%-8.11%	1,793.49
Maturing between 1 year to 3 years	7.68%-8.22%	5,679.26	7.68%-8.22%	5,134.88
Maturing between 3 years to 5 years		-		-
		5,679.26		6,928.37
Less: Unamortised Finance Cost		15.57		27.60
Add: Interest accrued but not due		58.59		121.32
Total		5,722.28		7,022.09

Details of associated liabilities related to Securitization transactions

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Maturing within 1 year	04.76%-12.17%	5,525.90	04.76%-12.17%	3,473.99
Maturing between 1 year to 3 years	04.76%-11.35%	6,566.41	04.76%-12.17%	4,556.18
Maturing between 3 years to 5 years	05.10%-11.35%	808.87	06.50%-08.00%	680.90
Maturing beyond 5 years	05.10%-07.45%	17.69	06.20%-07.45%	18.79
		12,918.87		8,729.86
Less: Unamortised Finance Cost		1.40		0.63
Add: Interest accrued but not due		26.04		15.38
Total		12,943.51		8,744.61

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

₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	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.

Notes forming part of the Consolidated Financial Statements

Details of Secured term loans from Other parties (National Housing Bank) ₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable in instalments:				
Quarterly				
Maturing within 1 year		-		-
Maturing between 1 year to 3 years		-		-
Total		-		-
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due				
Total Amortised Cost		-		-

Details of Unsecured term loans from banks ₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year				
Total		-		-
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due		-		-
Total Amortised Cost		-		-

Details of Unsecured term loans from others ₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year				
Maturing between 1 year to 3 years				
Total		-		-
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due		-		-
Total Amortised Cost		-		-

Notes forming part of the Consolidated Financial Statements

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

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Inter-corporate deposits (ICDs) (Related Parties)				
Repayable on maturity:				
Maturing within 1 year				
Maturing between 1 year to 3 years				
Total		-		-
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due		-		-
Total Amortised Cost		-		-
Inter-corporate deposits (ICDs) (Other Than Related Parties)				
Repayable on maturity:				
Maturing within 1 year		-	7.55%	8.50
Maturing between 1 year to 3 years	7.65%	22.00		
Total		22.00		8.50
Less: Unamortised Finance Cost		0.04		-
Add: Interest accrued but not due		1.40		0.34
Total Amortised Cost		23.36		8.84

Details of Loans repayable on demand (Secured) - with banks ₹ in crore

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year	9.05%	27.69	8.75% - 9.0%	29.60
Total		27.69		29.60
Less: Unamortised Finance Cost		-		-
Add: Interest accrued but not due		2.22		-
Total Amortised Cost		29.91		29.60

18. Deposits

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
At amortised cost		
Deposits (Unsecured)		
- Public deposits*	6,983.78	6,839.02
- Accepted from corporates	7,145.83	4,534.95
Total	14,129.61	11,373.97

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.

Notes forming part of the Consolidated Financial Statements

Details of Deposits (Unsecured) - Public deposits:

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
Repayable on maturity:				
Maturing within 1 year	5.90%-16.15%	5,791.07	5.75% - 23.5%	3,994.99
Maturing between 1 year to 3 years	5.90%-16.33%	6,808.79	5.90% - 25.0%	5,877.05
Maturing beyond 3 years	6.80%-12.50%	745.78	7.25% - 22.0%	1,030.53
Total at face value		13,345.64		10,902.57
Less: Unamortised discounting charges		40.43		33.20
Add: Interest accrued but not due		824.40		504.60
Total Amortised cost		14,129.61		11,373.97

19. Subordinated liabilities

Particulars	March 31, 2026	March 31, 2025
At Amortised cost		
Subordinated redeemable non-convertible debentures - private placement	3,299.47	3,541.57
Subordinated redeemable non-convertible debentures - retail public issue	2,601.11	2,562.27
Total	5,900.58	6,103.84
Subordinated liabilities in India	5,900.58	6,103.84
Subordinated liabilities outside India	-	-
Total	5,900.58	6,103.84

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

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

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
A) Issued on private placement basis				
Repayable on maturity:				
Maturing within 1 year	8.40%-9.10%	122.00	8.90%-9.50%	235.00
Maturing between 1 year to 3 years	8.50%-9.40%	220.00	8.40%-9.10%	207.00
Maturing between 3 years to 5 years	8%	50.00	9.00%-9.40%	135.00
Maturing beyond 5 years	7.35%-8.35%	2,812.90	7.90%-8.35%	2,862.90
Sub-total at face value (A)		3,204.90		3,439.90

Notes forming part of the Consolidated Financial Statements

Details of Subordinated liabilities (at Amortised cost) - Unsecured subordinated redeemable non-convertible debentures (Contd.)

From the Balance Sheet date	As at March 31, 2026		As at March 31, 2025	
	Interest Rate Range	Amount	Interest Rate Range	Amount
B) Issued on retail public issue				
Repayable on maturity:				
Maturing within 1 year	8.53%-12.00%	962.94		
Maturing between 1 year to 3 years	7.9%-9.50%	784.12	7.90%-9.00%	1,380.25
Maturing between 3 years to 5 years		-	9.35%-9.50%	336.87
Maturing beyond 5 years	7.95%-8.05%	643.96	7.95%-8.05%	643.96
Sub-total at face value (B)		2,391.02		2,361.08
Total at face value (A+B)		5,595.92		5,800.98
Less: Unamortised discounting charges		18.57		21.02
Add: Interest accrued but not due		323.23		323.88
Total amortised cost		5,900.58		6,103.84

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

Particulars	March 31, 2026	March 31, 2025
Unclaimed dividends [#]	0.55	0.66
Unclaimed matured deposits and interest accrued thereon [#]	3.46	3.82
Deposits/advances received against loan agreements	48.68	45.39
Insurance premium payable	27.48	25.46
Salary, Bonus and performance payable	31.10	30.43
Provision for expenses	283.51	284.35
Lease liabilities (refer note 42)	487.29	503.99
Amount payable under assignment of receivables	2.78	0.67
Others ^{##}	607.16	147.67
Total	1,492.01	1,042.44

[#]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.

^{##}Others include Credit Support Agreement (CSA) against ECB.

Notes forming part of the Consolidated Financial Statements

21. Provisions

Particulars	₹ in crore	
	March 31, 2026	March 31, 2025
Provision for employee benefits		
- Gratuity (refer note 37)	170.30	39.40
- Leave encashment	100.37	93.55
- Bonus, incentives and performance pay	183.78	117.44
- Post retirement medical benefit	4.17	5.24
Provision for loan commitment	6.67	1.11
Total	465.29	256.74

22. Other non-financial liabilities

Particulars	₹ in crore	
	March 31, 2026	March 31, 2025
Deferred subvention income	3.10	6.28
Statutory dues and taxes payable	260.29	194.81
Others	2.61	3.71
Total	266.00	204.80

23. Equity Share Capital

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Authorised:		
250,00,00,000 (31 March 2025: 250,00,00,000) Equity shares of ₹ 2/- each	500.00	500.00
50,00,000 (31 March 2025: 50,00,000) Redeemable preference shares of ₹ 100/- each	50.00	50.00
Issued, Subscribed and paid-up:		
1,38,99,71,160 (March 31, 2025: 1,23,55,29,920) Equity shares of ₹ 2/- each fully paid up	277.99	247.11
Less: 4,25,999 (March 31, 2025: 6,68,537) Equity shares of ₹ 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	0.08	0.13
Adjusted Issued, Subscribed and paid-up Share capital	277.91	246.98

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in crore	No. of shares	₹ in crore
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid-up:				
Balance at the beginning of the year	1,23,55,29,920	247.11	1,23,55,29,920	247.11
Add: Fresh allotment of shares	-	-	-	-
- Through Rights Issue (refer note 40)	15,44,41,240.00	30.89		
Balance at the end of the year	1,38,99,71,160	277.99	1,23,55,29,920	247.11

Notes forming part of the Consolidated Financial Statements

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Less: Shares issued to ESOP Trust but not yet allotted to employees	4,25,999	0.08	6,68,537	0.13
Adjusted Issued, Subscribed and paid-up Share capital	1,38,95,45,161	277.91	1,23,48,61,383	246.98
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	72,95,82,599	145.92	64,43,99,987	128.88
Percentage of holding (%)	52.49%		52.16%	
c) Shareholders holding more than 5 percent of the aggregate shares:				
Mahindra & Mahindra Limited	72,95,82,599	145.92	64,43,99,987	128.88
Percentage of holding (%)	52.49%		52.16%	
Life Insurance Corporation of India	14,35,44,354	28.71	12,65,03,313	25.30
Percentage of holding (%)	10.33%		10.24%	
SBI Mutual Fund	7,55,65,245	15.11	5,48,62,123	10.97
Percentage of holding (%)	5.44%		4.44%	
HDFC Mutual Fund	7,19,70,252	14.39	7,08,08,951	14.16
Percentage of holding (%)	5.18%		5.73%	

d) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

Particulars	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Mahindra & Mahindra Limited	72,95,82,599	52.49%	0.33%	64,43,99,987	52.16%	-

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity):

Statutory reserve

Statutory reserve has been created pursuant to section 45-IC of the RBI Act,1934 and section 29C of the National Housing Act, 1987. The reserve fund can be utilised only for limited purposes as specified by RBI and NHB respectively, from time to time and every such utilisation shall be reported to the RBI and NHB respectively, within specified period of time from the date of such utilisation.

Notes forming part of the Consolidated Financial Statements

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:

₹ in crore			
Particulars	Nature and purpose	March 31, 2026	March 31, 2025
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.	4,219.39	3,650.10
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

Notes forming part of the Consolidated Financial Statements

Elements of Other Equity with balance: (Contd.)

₹ in crore			
Particulars	Nature and purpose	March 31, 2026	March 31, 2025
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.	10,158.77	7,195.40
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.	814.69	814.50
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.	33.14	26.12
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.	10,732.92	9,372.89
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.	(16.52)	0.87
- 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.	105.91	84.52

Notes forming part of the Consolidated Financial Statements

Elements of Other Equity with balance: (Contd.)

		₹ in crore	
Particulars	Nature and purpose	March 31, 2026	March 31, 2025
- 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.	23.02	(53.85)
- 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).	239.41	141.93
Total Other Equity		26,360.73	21,282.48

Dividend distributions made and proposed

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

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Dividend paid		903.48	778.38
Profit for the relevant year		2,345.04	1,759.62
Dividend as a percentage of profit for the relevant year		38.5%	44.2%

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

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Face value per share (Rupees)		2.00	2.00
Dividend percentage		375%	325%
Dividend per share (Rupees)		7.50	6.50
Total Dividend on Equity shares (a)		1,042.48	903.48
Profit after tax for the relevant year (b)		2,782.23	2,345.04
Dividend proposed as a percentage of profit after tax (a/b)		37.5%	38.5%

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

24. Interest income

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
I) On financial instruments measured at Amortised cost (refer note 2.7)			
Interest on loans		17,158.44	15,434.13
Interest on Finance lease		186.45	142.74
Income from bill discounting		159.53	120.62
Interest income from investments		233.81	249.08
Interest on term deposits with banks		442.92	318.80

Notes forming part of the Consolidated Financial Statements

24. Interest income (Contd.)

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
II) On financial instruments measured at fair value through OCI (refer note 2.11 b)			
Interest income from investments in debt instruments		246.96	301.03
Total		18,428.11	16,566.40

Note: There is no loan asset measured at FVTPL.

25. Fees, charges and commission income

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Fees/charges on loan transactions		368.36	296.90
Income from commission services - life insurance		314.98	149.94
Income from commission services - general insurance		191.81	61.31
Commission/brokerage received from mutual fund distribution/other debt products		6.69	6.77
Collection fees related to transferred assets under securitisation transactions		27.68	12.95
Total		909.52	527.87

Revenue from contracts with customers

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

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Type of services or service			
Fees and commission income		909.52	527.87
Total revenue from contract with customers		909.52	527.87
Geographical markets		-	-
India		909.52	527.87
Outside India		-	-
Total revenue from contract with customers		909.52	527.87
Timing of revenue recognition		-	-
Services transferred at a point in time		909.52	527.87
Services transferred over time		-	-
Total revenue from contract with customers		909.52	527.87

Contract balances

		₹ in crore	
Particulars		March 31, 2026	March 31, 2025
Fees, commission and other receivables		325.74	246.69
		325.74	246.69

- Impairment loss allowance recognised on contract balances is ₹ Nil (Previous year ₹ Nil)

- Contract asset as on March 31, 2026 is Nil (Previous year Nil)

Notes forming part of the Consolidated Financial Statements

26. Net gain/(loss) on fair value changes

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
A) Net gain/(loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Investments	(1.20)	(0.42)
ii) On financial instruments designated at FVTPL	9.58	13.93
B) Others - Mutual fund units	28.80	8.46
C) Total Net gain/(loss) on financial instruments at FVTPL	37.18	21.97
Fair value changes:		
- Realised	23.41	1.31
- Unrealised	13.77	20.66
D) Total Net gain/(loss) on financial instruments at FVTPL	37.18	21.97

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

27. Sale of services

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Income from insurance broking business services	1,455.69	1,191.51
Total	1,455.69	1,191.51

28. Other income

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Net gain on derecognition of property, plant and equipment	0.20	4.32
Net gain on sale of investments measured at amortised cost	-	(0.34)
Income from shared services	35.17	56.09
Others	45.99	7.29
Total	81.36	67.36

29. Finance costs

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
On financial liabilities measured at Amortised cost		
Interest on deposits	1,050.02	747.51
Interest on borrowings	5,065.39	4,674.27
Interest on debt securities	2,262.64	2,630.68
Interest on subordinated liabilities	481.61	414.50
Interest expense on lease liabilities (refer note 42)	39.85	39.99
Others		
Net gain/(loss) in fair value of derivative financial instruments	-	(107.25)
Other borrowing costs	34.05	15.73
Total	8,933.56	8,415.43

Note: There is no financial liability measured at FVTPL.

Notes forming part of the Consolidated Financial Statements

30. Impairment on financial instruments

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
On financial instruments measured at Amortised cost		
Bad debts and write offs	2,331.62	1,690.40
Loans	65.31	393.02
Investments	79.67	-
Loan commitment	5.56	0.05
Trade receivables and other contracts	0.69	1.89
Total	2,482.85	2,085.36

Note: There is no financial instrument measured at FVOCI.

31. Employee benefits expenses

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Salaries and wages	2,330.31	2,169.74
Contribution to provident funds and other funds	131.58	142.57
Share based payments to employees	15.41	6.60
Staff welfare expenses	32.32	36.03
Total	2,509.62	2,354.94

32. Depreciation, amortization and impairment

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Depreciation on Property, Plant and Equipment (refer note 11)	195.61	176.25
Amortization and impairment of intangible assets (refer note 12)	84.81	41.31
Depreciation on Right of Use Asset (refer note 11 and 42)	105.66	103.65
Total	386.08	321.21

33. Other expenses

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Rent	13.61	15.97
Rates and taxes, excluding taxes on income	34.64	16.43
Electricity charges	22.21	21.80
Repairs and maintenance	15.43	13.74
Communication Costs	47.56	56.78
Printing and Stationery	10.73	15.41
Advertisement and publicity	24.23	27.59
Directors' fees, allowances and expenses	4.05	5.14

Notes forming part of the Consolidated Financial Statements

33. Other expenses (Contd.)

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Auditor's fees and expenses		
- Audit fees	2.26	2.20
- Taxation matters	-	-
- Other services	0.61	0.74
- Reimbursement of expenses	0.14	0.08
Legal and professional charges	191.82	193.94
Insurance	76.86	75.84
Manpower outsourcing cost	360.27	222.49
Donations	2.36	25.02
Corporate Social Responsibility (CSR) expenses	47.78	34.61
Conveyance and travel expenses	168.34	187.18
Other expenses	544.87	431.65
Total	1,567.77	1,346.61

34. Exceptional items

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Statutory impact of new Labour Codes	132.95	-
Total	132.95	-

On November 21, 2025, the Government of India notified the provisions of four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively "new Labour Codes") which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.

In accordance with the new Labour Codes, the Group has currently estimated the incremental impact of Gratuity and Leave Encashment to be ₹ 132.95 crore (net of taxes ₹ 99.49 crore) on the basis of Actuarial Valuation. This has been presented under "Exceptional Items" in the standalone financial statements for the year ended March 31, 2026.

The Group continues to monitor developments on the Rules to be notified by regulatory authorities, including clarifications/additional guidance from authorities and will continue to assess the accounting implications, basis such developments/guidance.

In addition to the above, the Group has also recognised an amount of ₹ 22.72 crore in the Statement of Profit and Loss towards employee benefit expenses on account of the impact of the New Labour Code on eligible employees.

The incremental cost attributable to period post implementation of new Labour Codes has been included under Employee benefits expense for the year ended March 31, 2026.

Notes forming part of the Consolidated Financial Statements

35. 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.

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Profit for the year (₹ in crore)	2,854.53	2,261.87
Weighted average number of Equity Shares used in computing basic EPS	1,36,72,80,940	1,27,21,07,490
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	9,34,903	4,16,316
Weighted average number of Equity Shares used in computing diluted EPS	1,36,82,15,843	1,27,25,23,806
Basic Earnings per share (₹) (Face value of ₹ 2/- per share)	20.88	17.78
Diluted Earnings per share (₹)	20.86	17.77

36. a. Employee Stock Option Plan (ESOP) of the Parent Entity

The Company had allotted 48,45,025 Equity shares (face value of ₹ 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 ₹ 50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on August 17, 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at ₹ 50/- per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue have remained same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the schemes by eligible employees, the Trust had issued 72,67,963 equity shares to employees up to March 31, 2026 (March 31, 2025: 70,25,425 equity shares), of which 2,42,538 equity shares (March 31, 2025: 4,75,271 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by ₹ 0.05 crore for the year ended March 31, 2026 (March 31, 2025: ₹ 0.10 crore).

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

i) Employees Stock Option Scheme 2010

Particulars	Key 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

Notes forming part of the Consolidated Financial Statements

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

Mahindra and Mahindra Financial Services Limited – Restricted Stock Units Plan 2023 (“MMFSL RSU PLAN 2023”) formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 was approved by the Board of Directors in their meeting held on April 28, 2023. Following are the key terms and conditions governing the scheme.

Particulars	Key Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Exercise price	The Exercise Price shall be the face value of the Share as on date of Exercise of RSUs.
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
Method of settlement	By issue of shares at exercise price

iii) MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - SUBSIDIARIES RESTRICTED STOCK UNITS PLAN 2026 ("MMFSL SUBSIDIARIES RSU PLAN 2026")

During the current financial year, the Company has formulated a new employee stock option plan, namely, ‘Mahindra & Mahindra Financial Services Limited - Subsidiaries Restricted Stock Units Plan 2026’ (“MMFSL Subsidiaries RSU Plan 2026”) to reward the key Employees of the Subsidiary Company(ies) of the Company for their performance and motivate them to contribute to the consolidated growth and profitability of the Company, and the same was approved by the Board of Directors on January 7, 2026 and approved by the Shareholders of the Company on February 7, 2026 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. Following are the key terms and conditions governing the scheme.

Particulars	Key Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Exercise price	The Exercise Price shall be the face value of the Share as on date of Exercise of RSUs.
Authority and Ceiling	The maximum number of RSUs that may be granted to each Employee in aggregate shall vary depending upon the designation and the appraisal/ assessment process, however, shall not exceed 30,00,000 (Thirty Lakhs) in number per eligible Employee. However, the Committee reserves the right to decide the number of RSUs to be granted and the maximum number of RSUs that can be granted to each Employee within this ceiling.

Notes forming part of the Consolidated Financial Statements

iii) MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - SUBSIDIARIES RESTRICTED STOCK UNITS PLAN 2026 ("MMFSL SUBSIDIARIES RSU PLAN 2026") (Contd.)

Particulars	Key Terms and conditions
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	RSUs granted under the MMFSL Subsidiaries RSU Plan 2026 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, as may be determined by the Committee. The vesting of RSUs would be based on achievement of performance targets of the respective Subsidiaries. The Committee would lay down the performance targets for vesting of RSUs granted to employees of subsidiaries of the Company which would include one or more of the performance parameters of the subsidiary upto 100% weightage along with certain sub-weightage assigned to each of the following parameters: a) Revenue Growth b) Market Share Growth c) Profit growth d) Cost control e) Asset quality f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance Besides the Subsidiary Company's performance parameters, vesting of RSUs may include grantee's individual performance (upto 50% of total RSUs granted), as determined by the Committee from time to time. In such instances the indicative weightages given above would be varied with the approval of the NRC. Each grant shall specify a target number of RSUs; actual vesting may range from 0% to 110% based on performance achievement.
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
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 24, 2018	Grant dated October 24, 2018
Exercise price (₹)	2.00	2.00
Fair value of option (₹)	495.92	355.34

Notes forming part of the Consolidated Financial Statements

ii) MMFSL RSU PLAN 2023

During the year ended March 31, 2026, the Company has granted 10,36,734 stock options (March 31, 2025: 6,49,326) 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 live under MMFSL RSU PLAN 2023.

Particulars	Grant dated October 28 2025	Grant dated July 22 2025	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
Exercise price (₹)	2.00	2.00	2.00	2.00	2.00
Fair value of option (₹)	269.74	228.11	262.53	246.47	246.47

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

Variables#	Year ended March 31, 2026		Year ended March 31, 2025		Year ended March 31, 2024
	Grant dated October 28 2025	Grant dated July 22 2025	Grant dated October 21 2024	Grant dated April 23 2024	Grant dated October 26 2023
1) Risk free interest rate	6.11%	6.03%	6.64%	7.08%	7.29%
2) Expected life	4.50 years	5.50 years	4.50 years	5.50 years	4.51 years
3) Expected volatility	34.92%	47.79%	42.83%	44.27%	45.98%
4) Dividend yield	2.17%	2.47%	2.16%	2.15%	2.19%
5) Price of the underlying share in the market at the time of option grant (₹)	299.10	262.85	291.00	278.85	273.60

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

iii) MMFSL SUBSIDIARIES RSU PLAN 2026

MMFSL Subsidiaries RSU Plan 2026 is a newly formulated stock option plan and approved by the Board and shareholders during last quarter of the financial year. There were no stock options granted to employees of the subsidiary company(ies) during the year.

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	1,56,627	26.58	6,12,763	26.97
Options granted during the year	-	-	-	-
Options expired/forfeited during the year	8,532	26.66	11,350	27.45
Options cancelled/lapsed during the year	-	-	-	-

Notes forming part of the Consolidated Financial Statements

c) i) Summary of stock options - Employee Stock Option Scheme 2010: (Contd.)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options exercised during the year	84,049	26.43	4,44,786	27.09
Options outstanding at the end of the year	64,046	26.77	1,56,627	26.58
Options vested but not exercised at the end of the year	64,046	26.77	1,56,627	26.58

#Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at ₹ 2/- per option and adjustment options issued under Rights issue are exercisable at ₹ 50/- each, including premium of ₹ 48/- per option (being the issue price under Rights allotment).

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Options outstanding at the beginning of the year	8,07,534	2.00	2,83,171	2.00
Options granted during the year	10,36,734	2.00	6,49,326	2.00
Options expired/forfeited during the year	1,177	2.00	8,804	2.00
Options cancelled/lapsed during the year#	1,20,276	2.00	85,674	2.00
Options exercised during the year	1,58,489	2.00	30,485	2.00
Options outstanding at the end of the year	15,64,326	2.00	8,07,534	2.00
Options vested but not exercised at the end of the year	69,834	2.00	36,216	2.00

#includes 47,328 options (Year ended March 31, 2025: 9,194 options) cancelled/lapsed on account of true-down effect applied on the specific tranche of respective grant/s covering all the beneficiaries due to non-achievement of specified performance parameters at the Company level 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 recognized earlier in the statement of profit and loss of current year.

Notes forming part of the Consolidated Financial Statements

d) Information in respect of options outstanding:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of stock options	Weighted average exercise price (₹)#	No. of stock options	Weighted average exercise price (₹)#
Employee Stock Option Scheme 2010 -				
- At ₹ 2.00 per option	31,000	7 months	76,411	14 months
- At ₹ 50.00 per option	33,046	7 months	80,216	14 months
MMFSL RSU PLAN 2023 -				
- At ₹ 2.00 per option	15,64,326	80 months	8,07,534	79 months
	16,28,372		9,64,161	

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

As at March 31, 2026		As at March 31, 2025	
Date of exercise	Weighted average share price (₹)	Date of exercise	Weighted average share price (₹)
April 01, 2025 to March 31, 2026	313.88	April 01, 2024 to March 31, 2025	286.73

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.

g) Compensation cost measurement and accounting

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, ₹ 15.82 crore (March 31, 2025: ₹ 7.25 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 ₹ 0.34 crore) to the holding company of ₹ 2.35 crore (March 31, 2025: ₹ 1.68 crore) in respect of options granted to employees of the Company and excludes net recovery of ₹ 0.75 crore (March 31, 2025: ₹ 0.09 crore) from its and holding company's subsidiaries for options granted to their employees.

Notes forming part of the Consolidated Financial Statements

36. b. 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.

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	As at March 31, 2026		As at March 31, 2025	
		No. of stock options	Weighted Average Exercise Price	No. of stock options	Weighted Average Exercise Price
1	Outstanding at the beginning of the year	4,84,798	10.00	10,51,108	26.05
2	Granted during the year	-	-	-	-
3	Forfeited/Lapsed during the year	1,12,009	10.00	4,37,405	46.33
4	Exercised during the year	1,67,503	10.00	1,28,905	17.61
5	Outstanding at the end of the year	2,05,286	10.00	4,84,798	10.00
6	Exercisable at the end of the year	1,94,659	10.00	3,17,386	10.00

Range of exercise price and weighted average remaining contractual life of outstanding options:

Grant date	As at March 31, 2026			As at March 31, 2025		
	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	-	0.00	67.00
08-Dec-17	-	0.00	67.00	-	0.00	67.00
16-Jan-18	-	0.00	67.00	-	0.00	67.00
16-Oct-19	7,909	0.54	10.00	19,051	1.21	10.00
18-Jan-21	6,963	1.36	10.00	22,500	2.18	10.00
21-Oct-21	1,47,885	1.78	10.00	3,97,769	2.42	10.00
19-Oct-22	42,529	2.05	10.00	45,478	3.05	10.00

Notes forming part of the Consolidated Financial Statements

37. Employee benefits

General description of defined benefit plans

Gratuity

The Group provides for the gratuity, a defined benefit retirement plan covering qualifying employees . The plan provides for gratuity benefits that become payable to eligible employees on death while in service or on separation from employment after completion of the stipulated period under the Code on Social Security, 2020. The Group 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 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:

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 ₹ 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.

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Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

₹ in crore

Particulars	Funded Plan		Unfunded Plan		Unfunded Plan	
	Gratuity		Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31		Year ended March 31	
	2026	2025	2026	2025	2026	2025
I. Amounts recognised in the Statement of Profit & Loss						
Current service cost	17.86	20.58	0.26	0.24	0.30	-
Net Interest cost	4.54	1.47	0.11	0.17	0.36	-
Past service cost (New Labour Code impact)	108.17	-	-	-	-	5.24
Interest Income	-	-	-	-	-	-
Adjustment due to change in opening balance of Plan assets	-	-	-	-	-	-
Total expenses included in employee benefits expense	130.56	22.05	0.36	0.41	0.66	5.24
II. Amount recognised in Other Comprehensive income						
Remeasurement (gains)/ losses:						
a) Actuarial (gains)/losses arising from changes in -						
- demographic assumptions	(3.27)	(1.44)	0.02	(0.06)	(1.49)	-
- financial assumptions	5.46	3.77	(0.07)	0.03	(0.44)	-
- experience adjustments	(32.45)	8.83	0.06	(0.18)	0.25	-
b) Return on plan assets, excluding amount included in net interest expense/(income)	(0.05)	(3.49)	-	-	-	-
Total amount recognised in other comprehensive income	(30.31)	7.67	0.01	(0.20)	(1.69)	-

Notes forming part of the Consolidated Financial Statements

Details of defined benefit plans as per actuarial valuation are as follows: (Contd.) ₹ in crore

Particulars	Funded Plan		Unfunded Plan		Unfunded Plan	
	Gratuity		Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31		Year ended March 31	
	2026	2025	2026	2025	2026	2025
III. Changes in the defined benefit obligation						
Opening defined benefit obligation	178.26	172.58	1.09	1.36	5.24	-
Add/(less) on account of currency fluctuation	-	-	0.04	0.05	-	-
Current service cost	17.86	20.58	0.26	0.24	0.30	-
Past service cost (New Labour Code impact)	108.17	-	-	-	-	5.24
Interest expense	13.82	12.42	0.11	0.17	0.36	-
Liability Transferred In/ Acquisitions	0.98	-	-	-	-	-
Liability Transferred Out/ Divestments	(0.33)	-	-	-	-	-
Remeasurement (gains)/ losses arising from changes in -	-	-	-	-	-	-
- demographic assumptions	3.27	(1.45)	0.02	(0.06)	(1.49)	-
- financial assumptions	(5.46)	3.77	(0.07)	0.03	(0.44)	-
- experience adjustments	32.45	8.83	0.06	(0.18)	0.24	-
Benefits paid	(26.77)	(38.48)	(0.10)	(0.54)	(0.04)	-
Closing defined benefit obligation	322.23	178.26	1.41	1.09	4.17	5.24
IV. Change in the fair value of plan assets during the year						
Opening Fair value of plan assets	139.95	152.32	-	-	-	-
Interest income	9.08	10.59	-	-	-	-
Expected return on plan assets	0.35	4.22	-	-	-	-
Contributions by employer	30.23	11.67	-	-	-	-
Adjustment due to change in opening balance of Plan assets	(0.20)	-	-	-	-	-
Actual Return on plan assets in excess of the expected return	-	(0.37)	-	-	-	-

Notes forming part of the Consolidated Financial Statements

Details of defined benefit plans as per actuarial valuation are as follows: (Contd.) ₹ in crore

Particulars	Funded Plan		Unfunded Plan		Unfunded Plan	
	Gratuity		Gratuity		Post retirement medical benefits	
	Year ended March 31		Year ended March 31		Year ended March 31	
	2026	2025	2026	2025	2026	2025
Liability Transferred In/ Acquisitions	0.98					
Liability Transferred Out/ Divestments	(0.28)					
Actual Benefits paid	(26.77)	(38.48)	-	-	-	-
Closing Fair value of plan assets	153.34	139.95	-	-	-	-
V. Net defined benefit obligation						
Defined benefit obligation	(322.23)	(178.26)	(1.41)	1.09	(4.17)	(5.24)
Fair value of plan assets	153.34	139.95	-	-	-	-
Surplus/(Deficit)	(168.89)	(38.30)	(1.41)	1.09	(4.17)	(5.24)
Current portion of the above	(84.80)	(34.09)	(0.19)	1.09	(0.07)	(0.20)
Non current portion of the above	(84.09)	(4.21)	(1.22)	-	(4.10)	(5.04)
VI. Expected contribution for the next reporting year	62.90	31.65	-	-	-	-

Actuarial assumptions and Sensitivity

	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
I. Actuarial assumptions						
Discount Rate (p.a.)	6.77%	6.54%	10.00%		7.59%	6.82%
Attrition rate (%)	29.26% for age up to 30 years, 20.41% for age 31-50 years, 17.60% for 51 years and above	31.08% for age up to 30 years, 22.10% for age 31-50 years, 12.24% for 51 years and above			29.26% for age up to 30 years, 20.41% for age 31-50 years, 17.60% for 51 years and above	34.08% for age up to 30 years, 22.10% for age 31-50 years, 12.24% for 51 years and above
Expected rate of return on plan assets (p.a.)	6.77%	6.54%	NA	NA	NA	NA

Notes forming part of the Consolidated Financial Statements

Actuarial assumptions and Sensitivity (Contd.)

	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Rate of Salary increase (p.a.)	7.00%	7.00%	9.00%	10%	-	-
Medical cost inflation (p.a.)	NA	NA			7.00%	7.00%
Retirement Age	60 years	60 years			60 years	60 years
In-service Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	GA 1983 Mortality table	GA 1983 Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Payment Mortality					Indian Individual Annuitant's Mortality Table (2012-15)	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	(10.25)	(5.71)	(0.07)	(0.06)	(0.49)	(0.67)
One percentage point decrease in discount rate	11.12	6.20	0.07	0.04	0.58	0.80
One percentage point increase in Salary growth rate	10.05	6.12	0.07	0.04	0.03	0.01
One percentage point decrease in Salary growth rate	(9.58)	(5.75)	(0.06)	(0.06)	(0.02)	(0.01)

Notes forming part of the Consolidated Financial Statements

Actuarial assumptions and Sensitivity (Contd.)

	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
One percentage point increase in attrition rate	(0.75)	(0.38)	-	-	(0.27)	(0.42)
One percentage point decrease in attrition rate	0.75	0.40	-	-	0.36	0.47
One percentage point increase in medical inflation rate	-	-	-	-	0.55	0.78
One percentage point decrease in medical inflation rate	-	-	-	-	(0.47)	(0.66)
III. Maturity profile of defined benefit obligation						
Within 1 year	70.99	41.78	0.19	0.17	0.07	0.05
Between 1 and 5 years	180.31	95.53	0.78	0.63	0.48	0.44
Between 6 and 10 years	106.50	56.82	0.24	0.27	1.39	1.39
11 years and above	62.79	35.80	0.21	-	11.38	13.91

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

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

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

The contribution to provident fund, superannuation fund and national pension scheme at Group level aggregating to ₹ 94.81 crore (31 March 2025: ₹ 101.68 crore) has been recognized in the Statement of profit and loss under the head "Employee benefits expense".

Notes forming part of the Consolidated Financial Statements

Compensated Absences

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

Particulars	Year ended 31 March	
	2026	2025
Rate of discounting	6.77%	6.54%
Expected rate of salary increase	7.00%	7.00%
Attrition rate (%)	29.26% for age up to 30, 20.41% for age 31-50, 17.60% for 51 and above	31.08% for age up to 30, 22.10% for age 31-50, 12.24% for 51 and above
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Expenses recognised in statement of profit and loss [#]	4.93	11.27

[#]includes the New Labour Code impact of ₹ 24.18 crore.

The Group has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2026.

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.

Actuarial assumptions and Sensitivity

Particulars	Year ended 31 March	
	2026	2025
Retirement Age	60 Years	60 Years
Discount Rate	6.48%	6.54%
Attrition Rate	4.00%	8.00%
Performance Measurement	99.00%	99.00%

Reconciliation of the Liability recognised in the Balance Sheet:

Particulars	Year ended 31 March	
	2026	2025
Opening Net Liability	1.39	-
Expense recognised in the P&L	4.17	1.39
Contribution/Benefit Paid by the Company	1.96	-

Notes forming part of the Consolidated Financial Statements

Reconciliation of the Liability recognised in the Balance Sheet: (Contd)

Particulars	Year ended 31 March	
	2026	2025
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	3.60	1.39
Current portion of the above	2.21	0.86
Non Current portion of the above	1.39	0.53

The parent company has not funded its long term incentive plan liability and the same continues to remain as unfunded as at March 31, 2026.

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.

38. Additional disclosures

- i) During the financial years ended 31 March 2026 and 31 March 2025, 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, 2026

Name of Struck off company		Nature of transactions with struck-off Company	Balance outstanding as at 31 st March 2026 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
1	SHRUTI MOTORS PRIVATE LIMITED - MARUTI	Receivables	1.28	External
2	BALAJI INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.80	External
3	AKSHARA PUBLIC SCHOOL	Receivables	0.41	External
4	SAKTHI TRAVELS PRIVATE LIMITED	Receivables	0.23	External
5	RAJ AND RAJ PVT LTD	Receivables	0.12	External
6	PROBUS INFRATECH PRIVATE LIMITED	Receivables	0.07	External
7	DRRC INFRA PROJECTS PVT LTD	Receivables	0.07	External
8	VH SQUARE HEALTHCARE PRIVATE LIMITED	Receivables	0.04	External
9	PRAMILA HOSPITAL	Receivables	0.03	External
10	CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.02	External
11	SKS AUTOMOBILES INDIA PVT LTD	Receivables	-	External
12	SHRIRAM AUTOWHEELS PVT LTD	Receivables	-	External
13	RETONA MOTORS PRIVATE LIMITED	Receivables	-	External

Notes forming part of the Consolidated Financial Statements

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, 2026 (Contd.)

₹ in crore

Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at 31 st March 2026 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
14 EAST AFRICA MOBILES LTD - VADODARA	Receivables	-	External
15 FAIRDEAL MOTORS & WORKSHOP PVT LTD	Payables	(0.50)	External
16 CHOWDHARY MOTORS PVT LTD-JAMMU (C010211)	Payables	(0.05)	External
17 PLATINUM HOTEL (RAJKOT)	Payables	(0.00)	External
18 SAMEODHI TECH SOLUTIONS PRIVATE LIMITED	Payables	(0.00)	External
19 VMS CONSULTANTS PVT LTD	Corporate Depositor	0.70	External
20 OPTIMISTIC TRADING COMPANY PRIVATE LIMITED	Shares Held by Struck off Company	4,451*	External
21 SALASAR SECURITIES PVT LTD	Shares Held by Struck off Company	2,834*	External
22 UNICON FINCAP PRIVATE LIMITED	Shares Held by Struck off Company	689*	External
23 DREAMS BROKING PRIVATE LIMITED	Shares Held by Struck off Company	476*	External
24 AGARWAL SUPER FAST PACK RELOCATIONS PVT LTD	Receivables	-	External

*Number of Equity Shares

As at March 31, 2025

Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2025 (₹ 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

Notes forming part of the Consolidated Financial Statements

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 (Contd.)

Name of Struck off company	Nature of transactions with struck-off Company	Balance outstanding as at 31 st March, 2025 (₹ in crore)	Relationship with the Struck off company, if any, to be disclosed
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 PRIVATE LIMITED	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 off Company	476*	External
22 UNICKON FINCAP PRIVATE LIMITED	Shares Held by Struck off Company	689*	External

* Number of Equity Shares

- iv) There is no charges or satisfaction in relation to any debt/borrowings yet to be registered with ROC beyond the statutory period.
- v) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- vi) **Utilisation of Borrowed funds and share premium:**

A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

Notes forming part of the Consolidated Financial Statements

- 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.

39. Analytical Ratios

Particulars	As at March 31, 2026			As at March 31, 2025	% Variance	Reasons for variance (if above 25%)
	Numerator (₹ in crores)	Denominator (₹ In crores)	Ratio	Ratio		
Total Capital ratio (CRAR)	24,107.48	1,27,996.07	18.84%	18.33%	2.81%	NA
Tier - I capital ratio	21,317.98	1,27,996.07	16.66%	15.25%	9.21%	NA
Tier - II capital ratio	2,789.50	1,27,996.07	2.18%	3.08%	-29.24%	Decrease due to increase in credit enhancement for securitisation.
Liquidity Coverage Ratio	4,976.43	2,223.50	224%	277%	-19.20%	NA

40. Funds raised by issue of equity shares through Rights Issue

Pursuant to authorization of further infusion of capital through Rights Issue by the Board of Directors of the Company at its meeting held on May 2, 2025, other resolutions passed on 18 July 2020 approving the issue size, rights entitlement ratio, fixing the issue price, fixing the record date and in accordance with the provisions of the Companies Act, 2013 and the applicable Rules prescribed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Company had issued 15,44,41,240 fully paid-up equity shares of face value of ₹ 2 each for cash at a price of ₹ 194 per equity share (including a premium of ₹ 192 per equity share) aggregating to ₹ 2,996.16 crores on a rights basis to eligible equity shareholders in the ratio of one equity share for every eight fully paid-up equity share held on the record date, that is May 14, 2025. These equity shares were allotted on June 9, 2025. The Company has utilized the entire proceeds (net of issue related expenses) from the above referred Rights Issue for the purposes as stated in its 'Letter of Offer'.

The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹ 30.89 crores and securities premium reserve by ₹ 2,965.27 crores. Consequently, the shareholding of the Parent Company (Mahindra & Mahindra Limited) had increased from 52.16% to 52.49% post allotment of fresh equity shares under rights issue.

The share issue expenses of ₹ 7.60 crores have been adjusted against securities premium reserve as per the accounting policy.

Notes forming part of the Consolidated Financial Statements

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

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Tier - I capital	21,317.98	17,835.12
Tier - II capital	2,789.50	3,602.40
Total Capital	24,107.48	21,437.51
Aggregate of Risk Weighted Assets	1,27,996.07	1,16,967.79
Tier - I capital ratio	16.66%	15.25%
Tier - II capital ratio	2.18%	3.08%
Total Capital ratio	18.84%	18.33%

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:

Particulars	₹ in crore	
	As at March 31, 2026	As at March 31, 2025
Less than 1 year	146.69	126.55
1 - 3 years	205.41	233.50
3 - 5 years	157.22	148.75
More than 5 years	87.21	110.54
Total undiscounted lease liabilities	596.53	619.34

Notes forming part of the Consolidated Financial Statements

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.

₹ in crore			
Particulars		Amount for the year ended	
		March 31, 2026	March 31, 2025
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 32 "Depreciation, amortization and impairment")	105.66	103.65
ii)	Interest expense on lease liabilities (presented under note - 29 "Finance costs")	39.85	39.99
iii)	Expense relating to short-term leases (included in Rent expenses under note 33 "Other expenses")	7.28	4.19
iv)	Expense relating to leases of low-value assets (included in Rent expenses under note 33 "Other expenses")	6.33	11.78
v)	Payments for principal portion of lease liability	1,868.86	128.83
vi)	Additions to right-of-use assets during the year (refer note 11)	97.76	110.86
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")	412.84	434.02
viii)	Lease liabilities (presented under note - 20 "Other financial liabilities")	487.29	503.99

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 upto 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 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.

Notes forming part of the Consolidated Financial Statements

Other details are as follows:

₹ in crore		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gross carrying amount	699.21	571.59
Depreciation for the year	112.20	86.62
Accumulated Depreciation	225.13	178.94
Impairment losses for the year	0.55	-
Accumulated impairment	-	-
Used and refurbished vehicles to travel operators/taxi aggregators		
Gross carrying amount	-	0.90
Depreciation for the year	-	0.01
Accumulated Depreciation	-	0.87
Impairment losses for the year	-	-
Accumulated impairment	-	-

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

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
New vehicles to retail customers on operating lease -		
Not later than one year	139.11	124.58
Later than one year but not later than five years	247.40	225.38
Later than five years	-	0.01
	386.51	349.97

III) In the cases where assets are given on finance lease (as lessor) -

Reconciliation of undiscounted lease payment to net investment:

₹ in crore		
Particulars	As at March 31, 2026	As at March 31, 2025
Gross Investment	1,414.22	1,192.23
Less: Unearned Income	185.29	187.62
Net Investment before charging allowance for Impairment loss	1,228.93	1,004.61
Less: Allowance for Impairment losses	10.79	9.71
Total Net Investment	1,218.14	994.90

Maturity analysis:

₹ in crore				
Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Investment	589.62	824.58	0.03	1,414.22
Less: Unearned Income	97.03	88.26	-	185.29
Net investment before charging allowance for Impairment loss	492.59	736.32	0.03	1,228.94

Notes forming part of the Consolidated Financial Statements

IV) There has been a modification in the monthly Lease rentals for certain lease contracts post abolishment of Compensation cess under GST 2.0. The modification doesn't result in separate lease under IndAS 116. The revised lease rentals are recognised prospectively over the remaining lease term of the said contracts.

43. Frauds reported during the year

There were 71 cases (31 March 2025: 258 cases) of frauds amounting to ₹ 6.88 crore (31 March 2025: ₹ 7.16 crore) reported by the Group during the year. The Group has recovered an amount of ₹ 2.38 crore (31 March 2025: ₹ 2.44 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)

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
i) Contingent liabilities		
Demand against the Company not acknowledged as debts		
- Income Tax matters where Company has gone in Appeal	38.87	39.69
- Goods & Service Tax matters where Company has gone in Appeal	7.80	0.89
- Service Tax matters where Company has gone in Appeal	97.02	93.66
- 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)	4.58	7.18
Guarantees	1,112.49	868.56
Other money for which the Company is contingently liable	-	-
Sub-Total (i)	1,305.46	1,054.68
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account	74.97	97.34
Other commitments	1,675.48	766.08
Sub-Total (ii)	1,750.45	863.42
Total	3,055.91	1,918.10

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.

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.

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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:

₹ in crore		
Particulars	March 31, 2026	March 31, 2025
Securitisations -		
Carrying amount of transferred assets measured at amortised cost	12,731.04	8,623.56
Carrying amount of associated liabilities	12,928.11	8,732.98
Fair value of assets (A)	13,325.56	8,482.49
Fair value of associated liabilities (B)	13,233.71	8,909.62
Net position (A-B)	91.86	(427.13)

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

During the previous 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 Parent 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:

₹ in crore		
Particulars	As at March 31, 2026*	As at March 31, 2025
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 current year, the Company has not transferred or acquired any loan exposures through assignment/novation and loan participation.

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c) Details of stressed loans transferred

i) The Parent Company has transferred one stressed loan to Asset Reconstruction Company (ARC) through direct assignment during the year ended March 31, 2026. The details of the same are as under:

Particulars	To ARCs		To Permitted transferees	To Other transferees (specify)
	NPA	SMA		
Count of loan accounts	1.00	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	18.02	-	-	-
Weighted average residual tenor of the loans transferred (in years)	0.27	-	-	-
Net book value of loans transferred (₹ in crore) (at the time of transfer)	-	-	-	-
Aggregate consideration (₹ in crore)	9.46	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

There was no such direct assignment/transfer of stressed loans to Asset Reconstruction Company (ARC) during the previous year ended March 31, 2025.

ii) The Housing finance entity of the group has transferred one stressed loan to Asset Reconstruction Company (ARC) through direct assignment during the year ended March 31, 2026. The details of the same are as under:

Particulars	To ARCs		To Permitted transferees	To Other transferees (specify)
	NPA	SMA		
Count of loan accounts	30,536	-	-	-
Aggregate principal outstanding of loans transferred* (₹ in crore)	316.63	-	-	-
Weighted average residual tenor of the loans transferred (in years)	1.83	-	-	-
Net book value of loans transferred (₹ in crore) (at the time of transfer)	35.28	-	-	-
Aggregate consideration (₹ in crore)	127.24	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*The principal outstanding includes 2,869 contracts written off with principal dues of ₹ 34.07 crore. No excess provision (net) reversed due to aforesaid transaction.

46 The Board of Directors of the Parent Company, at their meeting held on January 28, 2026, has accorded its in-principle approval for evaluating the proposal for consolidation including Scheme of merger by absorption of Mahindra Rural Housing Finance Limited ("MRHFL"), a 98.43% owned subsidiary of the Parent with the Parent and authorised the management to appoint various consultants, advisors and intermediaries for the purpose.

The said in-principle approval is subject to further evaluation to be carried out by the Committee of Independent Directors and Audit Committee of the Board and necessary recommendations to be made by them in accordance with applicable laws and regulatory requirements.

Notes forming part of the Consolidated Financial Statements

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, 2026

Particulars	₹ in crore					
	March 31, 2025	Business Combination	Cash flows (net)	Exchange difference	Others	March 31, 2026
Proceeds from issue of Equity shares, including securities premium (net of issue expenses)	-	-	2,988.56	-	-	2,988.56
Debt securities	28,706.29	-	1,055.15	-	(7.69)	29,753.75
Borrowings (Other than debt securities)	71,534.30	-	5,387.34	544.37	1.50	77,467.51
Deposits	10,864.09	-	2,449.08	-	(7.84)	13,305.33
Subordinated liabilities	5,779.96	-	(205.74)	-	3.13	5,577.35
Lease liabilities	503.99	-	(133.71)	-	117.01	487.29
Total liabilities from financing activities	1,17,388.63	-	8,552.12	544.37	106.11	1,26,591.23

Year ended March 31, 2025

Particulars	₹ in crore					
	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

Notes forming part of the Consolidated Financial Statements

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:

₹ in crore

Segment	Activities covered
Financing activities	Financing automobiles, tractors, commercial vehicles, SMEs, Leasing of vehicles and housing finance.
Other reconciling items	Insurance broking, asset management services and trusteeship services

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocation, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Ind AS -108 on Operating Segments:

₹ in crore

Particulars	March 31, 2026			March 31, 2025		
	Financing Activities	Others	Total	Financing Activities	Others	Total
External Revenue	19,774.61	1,524.08	21,298.69	17,349.22	1,242.80	18,592.02
Inter Segment Revenue	-	-	211.96	-	-	61.56
Net Revenue	19,774.61	1,524.08	21,086.73	17,349.22	1,242.80	18,530.46
Segment Results (Profit/ (Loss) before tax):	3,641.94	183.96	3,825.90	2,900.39	126.52	3,026.91
Add: Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
Net Profit before tax	3,641.94	183.96	3,825.90	2,900.39	126.52	3,026.91
Segment Assets	1,56,107.65	1,087.10	1,57,194.75	1,41,552.76	987.59	1,42,540.35
Unallocated corporate assets			1,449.19	-	-	1,564.91
Total Assets			1,58,643.94			1,44,105.26
Segment Liabilities	1,31,437.03	346.07	1,31,783.10	1,22,158.18	291.88	1,22,450.06
Other unallocable liabilities	-	-	168.87	-	-	82.22
Total Liabilities			1,31,951.97			1,22,532.28

Notes forming part of the Consolidated Financial Statements

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, Mutual Funds and Security Receipts are exposed to pricing risk. A 5 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately ₹ 67.75 crore (31st March 2025: ₹ 165.08 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group's foreign currency exposures are managed 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:

₹ in crore

Particulars	JPY	US Dollar	Total
as at March 31, 2026			
Financial Assets	-	-	-
Financial Liabilities	-	5,663.69	5,663.69
as at March 31, 2025			
Financial Assets	-	-	-
Financial Liabilities	936.53	5,964.24	6,900.77

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%.

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

Outstanding Contracts	2026		2025	
	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	-	-	-	-
USD/INR	5,141.00	400.80	5,141.00	(90.32)
Maturing less than year				
JPY/INR	-	-	831.13	(221.16)
USD/INR	-	-	827.70	17.08

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: ₹ in crore

Particulars	2026			2025		
	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total	Exchange Rate Risk hedges	Interest Rate Risk hedges	Total
Balance at the beginning of the year	3.43	(57.28)	(53.85)	(0.09)	(7.19)	(7.28)
(Gains)/Losses transferred to Profit or Loss on occurrence of the forecast transaction	-	-	-	-	-	-
Change in fair value of effective portion of cash flow hedges	565.76	(463.03)	102.73	4.71	(66.94)	(62.23)
Total	569.19	(520.31)	48.88	4.62	(74.13)	(69.51)
Deferred tax on the above	(142.38)	116.53	(25.85)	(1.19)	16.85	15.66
Balance at the end of the year	426.81	(403.78)	23.03	3.43	(57.28)	(53.85)
Of the above:						
Balance relating to continuing hedges	426.81	(403.78)	23.03	3.43	(57.28)	(53.85)

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Foreign Currency Sensitivity

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

Particulars	Currency	₹ in crore	
		Change in rate	Effect on OCI
Year ended March 31, 2026	INR/JPY	NA	NA
	INR/USD	(+/-) 10.00%	(+/-) 567.93
Year ended March 31, 2025	INR/JPY	(+/-) 10.00%	(+/-) 93.77
	INR/USD	(+/-) 10.00%	(+/-) 599.07

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 ₹ 11,442.15 crore (March 31, 2025: ₹ 8,297.61 crore) and floating rate borrowings is ₹ 40,375.21 crore (March 31, 2025: ₹ 45,117.74 crore).

Particulars	Currency	₹ in crore	
		Increase/ decrease in basis points (Range)	Effect on profit before tax
Year ended 31 March 2026	INR	100	290.93
Year ended 31 March 2025	INR	100	368.20

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

Particulars	₹ in crore		
	Offsetting recognised on the balance sheet		
	Gross assets before offset	Financial liabilities netted	Assets recognised in balance sheet
Loan assets			
At 31 March' 2026	1,30,251.06	(90.92)	1,30,160.14
At 31 March' 2025	1,16,311.91	(97.89)	1,16,214.02

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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 Assets

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.

Particulars	31 March 2026	31 March 2025
₹ in crore		
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	1,02,289.55	89,919.00
Past Due but not impaired:		
1-30 days past due	10,440.66	9,970.55
31-90 days past due	6,403.17	6,499.43
Impaired (more than 90 days)	4,505.98	4,348.55
Total Gross carrying value as at reporting date	1,23,639.36	1,10,737.53

Particulars	31 March 2026	31 March 2025
₹ in crore		
Gross carrying value of Residential loan assets		
Neither Past due nor impaired	7,783.15	6,127.27
Past Due but not impaired:		
1-30 days past due	239.62	246.35
31-90 days past due	286.03	480.52
Impaired (more than 90 days)	203.35	648.95
Total Gross carrying value as at reporting date	8,512.15	7,503.09

Particulars	31 March 2026	31 March 2025
₹ in crore		
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	7,621.33	5,810.25
Past Due but not impaired:		
1-30 days past due	320.02	218.18
31-90 days past due	68.20	55.04
Impaired (more than 90 days)	80.57	65.07
Total Gross carrying value as at reporting date	8,090.12	6,148.54

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Particulars	31 March 2026	31 March 2025
₹ in crore		
Gross carrying value of Trade Advances		
Upto 60 days past due	3,154.28	3,188.50
61-90 days past due	2.93	2.32
Impaired (more than 90 days)	6.00	8.38
Total Gross carrying value as at reporting date	3,163.21	3,199.20

Overdue amount:

Particulars - Days past due	31 March 2026	31 March 2025
₹ in crore		
1-30 days	488.69	468.72
31-90 days	821.65	821.00
More than 90 days	2,170.88	2,205.21
Total	3,481.22	3,494.94

Particulars	31 March 2026	31 March 2025
₹ in crore		
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	991.90	1,255.87
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	991.90	1,255.87

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

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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. A month on month Data Analysis and Transition Matrix is developed based on historical movement data capturing transitions between stages. The transition probabilities are used to compute Through The Cycle (TTC) PDs.

For Bill discounting, as the average portfolio lifetime is 90 days, month on month flow rate analysis is undertaken on the basis of DPD buckets. Historical PDs are calculated using the average inter-bucket flow rates.

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.

(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, 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.

Aggregate portfolio (outstanding exposure) on the Balance sheet date is considered for calculation of ECL on Stage 1 assets.

Overdue Interest plus overdue Principal and Future Principal for respective future years is considered for calculation of ECL on Stage 2 assets

(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 that the event of default had occurred, considering the time value of money on recoveries determined based on appropriate discount rate. It is an estimate of the loss from a transaction given that a default had occurred.

Wherever historical data is available, the workout period based LGD methodology is used for developing the LGD model, which involves analysing the historical recoveries and actual losses incurred post default. The workout period is calculated on the recovery percentage of closed pool of loan contracts and is applied on live pool of contracts to consider cases which have survived the workout period. In the absence of sufficient historical data, regulatory LGDs are leveraged, or peer benchmarks are used as proxies.

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Under the Workout - period based LGD approach, defaulted accounts are identified in line with the PD definition, and recoveries are tracked from the first date of default to ensure the full loss cycle is captured. A recovery period (or recovery threshold) is established based on the observed recovery curve of closed accounts, representing the point beyond which further recoveries are remote or minimal.

LGD population include all closed accounts and only those live accounts that have completed this recovery window implying further recoveries are remote/minimal. Recoveries are discounted back to the default date using the interest rate of the respective loan account and adjusted for reasonable estimate of recovery costs, and the realized LGD is calculated as the proportion of exposure at default.

For calculating LGD, the Company considers historical data set of impaired loans for 8 years. Defaulted loan accounts which are open but completed the recovery period (loans surviving workout period) and all the closed default accounts are considered. Actual cash flows pertaining to this portfolio from the first default date to the cut off date are then discounted at Loan EIR rate for arriving at this loss rate.

In computation of LGD for Bill discounting portfolio, the historical data for 5 years is considered. For Trade advance portfolio, the LGD has been determined using a practical and data-driven approach where historically written off unrecovered amount has been considered as per the Technical Write off policy, regardless of when the loans were classified as defaulted.

b) Probability of Default (PD)

- a. It is an estimate of likelihood or risk of default occurring over a particular time horizon.
- b. The measurement of risk of defaults is computed on homogenous portfolios, generally by nature of loans, underlying collateral, and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.
- c. The time period considered for TTC PD is 5 years rolling window as per BASEL norms.
- d. For Stage 1 assets, 12 months PD is considered which represents default events that are possible within 12 months after the reporting date.
- e. 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;
- f. For Stage 3 assets, PD is always at 100% as these are impaired assets.
- g. The Company has further segregated Stage 1 and Stage 2 portfolio into 1A and 1B and 2A and 2B respectively.
 - 1A comprises of performing loan accounts.
 - 1B comprises of the cohort which is impaired in the past but after impairment the entire overdue is not fully recovered.
 - 2A comprises of those loans which are in Stage 2 categorised as SICR
 - 2B comprises of stage 2 loans which are impaired in the past but after impairment the entire overdue is not fully recovered."

The Flow-Rate Approach (FRA) was applied for Bills Discounting to estimate the Through-The-Cycle (TTC) Probability of Default (PD) since these are short tenure loans and the average tenure is 3-6 months. This method involves analyzing the transitions of accounts between different delinquency buckets over time. The process uses historical data to compute transition rates between these buckets, which are then used to estimate default probabilities.

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For Bill discounting PD computation, the historical data for 5 years has been considered.

For Trade advance accounts, a month on month Data Analysis and Transition Matrix is developed based on historical movement data capturing transitions between stages (e.g., Performing → Underperforming → Default). The transition probabilities are used to compute Through The Cycle (TTC) PDs.

(vi) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted.

ECL on on-book exposure/portfolio:

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 most relevant macroeconomic variables (MEVs) through forward-looking adjustment to derive TTC PDs.

ECL allowance on Stage 1 assets = Aggregate portfolio (exposure) on the Balance sheet date for Stage 1 multiplied by PD for Stage 1 and LGD.

ECL allowance on Stage 2 assets = Overdue Interest and Principal and Future Principal for respective future years multiplied by Marginal PDs for respective years and LGD percentage.

ECL allowance on Stage 3 assets = Gross exposure at reporting date multiplied by LGD.

Interest income on Stage 3 assets is recognized at an amount that is attributable to the net carrying value or net recoverable value of the impaired asset.

Recoverable Stage 3 Income= Interest income accrued at contractual rate ×(1–allowance rate)

Where: (1–allowance rate) is the recovery rate, representing the portion of the income expected to be collected from the impaired asset.

ECL on Undrawn loan commitments:

ECL on undrawn loan commitments is calculated by applying the Stage 1 allowance rate of the respective portfolio.

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.

ECL on Investments:

Expected Credit Loss (ECL) framework is tailored to the company's diverse investment portfolio. The company applies a structured ECL approach to all investment instruments held as part of statutory requirement, collateral assets held under securitization transactions, liquidity pool of investments spread across multiple instruments.

Notes forming part of the Consolidated Financial Statements

These investments typically cover instruments like Government Securities (G-Secs), Bonds, Commercial Papers (CPs), and Certificates of Deposit (CDs), Term deposits with Banks and Pass-Through Certificates (PTCs) under securitization transactions. These investments are categorized as financial assets measured either at amortized cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per Ind AS 109 depending upon the nature and purpose for which these are held within the business model (to receive regular/periodic cash flows and to hold till maturity or as available for sale/realization when needed) .

- i) **Investments carried at amortized cost - Government Securities, Debt instruments and Fixed Deposits with Banks:** All these financial assets are held within the business model for collecting the contractual cash flows as per the contractual terms that give rise to cash flows on specified dates that are solely payment of principal and interest (SPPI) on the principal amount outstanding.

No ECL has been applied on these instruments as there was no history of loss or delay in servicing of interest/ repayments. The Company does not expect any loss or delay in interest/redemption servicing in future.

- ii) **Investments carried at FVTPL and FVOCI - Mutual fund units, G-Secs, Bonds, CP, and CD as part of liquidity pool:** Investments in above referred instruments are measured at fair value through profit and loss (FVTPL) or other comprehensive income (FVOCI) based on their designation at inception at instrument level.

As required under Ind AS 109, the investment instruments under FVTPL category are fair valued to reflect such investments at current market price with corresponding gains/losses recognized in the statement of profit and loss. ECL is not applicable on these instruments.

The investment instruments under FVOCI category are fair valued through other comprehensive income, thereby these investments reflect fair market value at each reporting date. Further, FVOCI category investment instruments are subject to ECL as per Ind AS 109. Since there was no history of loss or delay in servicing of interest/repayments and the Company does not expect loss, no ECL provision is created on these investment instruments.

- 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.

- iv) **Others - Equity investments in subsidiary companies/JVs/Associates:**

Equity investments in subsidiary companies/JVs/Associates are not subject to impairment under Ind AS 109. These are assessed for impairment as per Ind AS 36.

Notes forming part of the Consolidated Financial Statements

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 Group are robust reflections of the state of economy which result into systematic risk for the respective portfolio categories.

Additionally, three different scenarios (Base, Best, Worst) with appropriate weights for probability outcome have been considered for ECL calculation.

(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. Primary Exposure of Co - applicant of a Stage 3 customer/customer group which are in Stage 1 or 2.
- iii. Not to consider Uncleared cheques as on reporting date for outstanding DPD calculation for retail vehicle loans
- iv. Retail vehicle loans, where asset has been repossessed.
- v. Cases where Company suspects fraud and legal proceedings are initiated.
- vi. SME loans where the Company has resorted to its rights under the SARFAESI Act.

The Group regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

Notes forming part of the Consolidated Financial Statements

(ix) Policy for write off of Loan Assets

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

(x) Inputs to the model of Retail Loan portfolio of the parent company.

- a. Observed Default Rates (ODRs) over past 5 years rolling window as per BASEL norms for each product category.
- b. Macro economic variables provided by Economist Intelligence Unit (EIU)#
- c. 27 MEVs (as per list #) used in the model based on R² above the company defined threshold representing level of relevance/fitment out of 61 shortlisted MEVs considered as the key indicators having relevance to company's business portfolios.

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.

Model process

1. OLS Regression Methodology:

The Ordinary Least Square (OLS) regression approach begins with the development of an initial macroeconomic variable (MEV) framework, where lagged variables and appropriate transformations are applied to capture delayed and non-linear relationships. Standard regression assumptions are then tested to ensure model validity and statistical robustness. Three tests are carried out: Correlation, Stationarity and Directionality. Final set of MEVs are selected for each of the product categories out of shortlisted MEVs based on explanatory power (R² above the company defined threshold representing level of relevance/fitment) and consistency with recent index trends, ensuring both statistical strength and economic interpretability. This approach is considered for retail vehicle loan portfolio.

2. Vasicek 2-factor Approach

The Vasicek approach is adopted for deriving PIT PDs for SME portfolio. For portfolios characterized by limited data history, low default counts, or high volatility in observed default rates, the Vasicek portfolio model has been adopted. This approach provides more stable and robust PIT PD estimates by smoothing idiosyncratic volatility and capturing systematic risk in portfolios with data constraints.

Listing of MEVs used in the model:

Description of MEV
Average real wage index (LCU, 2010=100)
Budget expenditure (LCU)
Consumer price index (2010=100; av)
Consumer prices (% change pa; av)
Current-account balance (US\$)
Domestic credit growth (%)
Domestic demand (% real change pa)
Exports of G&S (% real change pa)
Government consumption (% real change pa)
Gross fixed investment (% real change pa)
Imports of G&S (% real change pa)

Notes forming part of the Consolidated Financial Statements

Description of MEV
Industrial production (% change pa)
Industrial production (2010=100; av)
Lending interest rate (%)
Nominal exports of G&S (LCU)
Nominal government consumption (LCU)
Nominal gross fixed investment (US\$)
Nominal imports of G&S (LCU)
Nominal private consumption (LCU)
Real GDP (% change pa)
Real GDP (PPP US\$ at 2010 prices)
Real government consumption (LCU)
Real gross fixed investment (LCU)
Real gross fixed investment (US\$ at 2010 prices)
Real imports of G&S (LCU)
Real private consumption (US\$ at 2010 prices)
Unemployment rate (%)

Where reasonable scalars are not available, as measured by R square, the scalars of the nearest other portfolio are applied.

The Parent Company has estimated the ECL provision for the year ended March 31, 2026, in accordance with the updated ECL model.

Further, during the year ended March 31, 2026, the Parent Company has created management overlay of ₹ 852.00 crore and one of the subsidiary Mahindra Rural Housing finance has created management overlay of ₹ 56.76 crore.

Net carrying values

Net carrying values and ECL rates for **Retail Loans including Finance lease** are as follows: ₹ in crore

Particulars	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, 2026	1,12,730.21	6,403.17	4,505.98	1,23,639.36
Expected credit loss rate	0.58%	7.74%	58.43%	
Carrying amount as at March 31, 2026 (net of impairment provision)	1,12,077.60	5,907.25	1,873.02	1,19,857.86
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

Notes forming part of the Consolidated Financial Statements

Net carrying values and ECL rates for **Residential Loans** are as follows: ₹ in crore

Particulars	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, 2026	8,022.77	286.03	203.35	8,512.15
Expected credit loss rate	0.30%	9.67%	69.09%	
Carrying amount as at March 31, 2026 (net of impairment provision)	7,998.42	258.36	62.86	8,319.64
Gross Balance as at March 31, 2025	6,373.63	480.52	648.94	7,503.09
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

Net carrying values and ECL rates for **SME Loans including Bills of exchange** are as follows: ₹ in crore

Particulars	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, 2026	7,941.35	68.20	80.57	8,090.12
Expected credit loss rate	0.77%	28.18%	63.52%	
Carrying amount as at March 31, 2026 (net of impairment provision)	7,879.98	48.98	29.39	7,958.35
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

Net carrying values and ECL rates for **Trade Advances** are as follows: ₹ in crore

Particulars	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at March 31, 2026	3,154.28	2.93	6.00	3,163.21
Expected credit loss rate	0.36%	2.73%	22.50%	
Carrying amount as at March 31, 2026 (net of impairment provision)	3,142.93	2.85	4.65	3,150.43

Notes forming part of the Consolidated Financial Statements

Net carrying values and ECL rates for Trade Advances are as follows: (Contd.)

Particulars	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

The contractual amount outstanding for trade advance that has been written off by the Group during the year ended 31 March 2026 and that were still subject to enforcement activity was ₹ 7.23 crore (March 31, 2025: 1.60 crore).

Net carrying values and ECL rates for Financial Investments measured at amortized cost are as follows:

Particulars	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, 2026	991.90	-	-	991.90
Expected credit loss rate	-			
Carrying amount as at March 31, 2026 (net of impairment provision)	991.90			991.90
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

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.

Notes forming part of the Consolidated Financial Statements

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Retail Loans including Finance Lease is, as follows:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 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)
Write down of identified assets as a result of impairment loss provision against equity investment in a subsidiary	-	-	-	-
Gross carrying amount balance as at March 31, 2025	99,889.62	6,499.40	4,348.51	1,10,737.53
Changes in opening balance due to currency fluctuation	13.73	1.66	0.33	15.72
Addition due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:	-	-	-	
- Transfers to Stage 1	1,380.54	(1,237.18)	(143.36)	-
- Transfers to Stage 2	(5,209.18)	5,318.20	(109.02)	(0.00)
- Transfers to Stage 3	(1,628.37)	(1,108.14)	2,736.51	-
- Loans that have been derecognised during the period	(10,926.29)	(1,360.05)	(1,281.31)	(13,567.65)
New loans originated during the year	53,296.25	514.57	143.30	53,954.12
Write-offs	(4.89)	(34.65)	(973.96)	(1,013.50)
Impact of changes on items within the same stage	(24,081.20)	(2,190.64)	(215.02)	(26,486.86)
Gross carrying amount balance as at March 31, 2026	1,12,730.21	6,403.17	4,505.98	1,23,639.36

Notes forming part of the Consolidated Financial Statements

Reconciliation of ECL balance

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1, 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
Changes in opening balance due to currency fluctuation	0.11	0.03	0.10	0.24
Change due to business combination	-	-	-	-
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	184.86	(112.29)	(72.57)	-
- Transfers to Stage 2	(29.63)	84.90	(55.27)	-
- Transfers to Stage 3	(9.27)	(100.74)	110.01	-
- Loans that have been derecognised during the period	(63.94)	(118.52)	(647.94)	(830.40)
New loans originated during the year	321.12	36.54	82.84	440.49
Write-offs	(0.03)	(3.16)	(493.81)	(497.00)
Impact of changes on items within the same stage	(294.58)	124.49	1,500.78	1,330.70
ECL allowance balance as at March 31, 2026	674.36	495.92	2,632.97	3,803.25

The contractual amount outstanding on financial assets that has been written off by the Parent Company during the year ended 31 March 2026 and that were still subject to enforcement activity was ₹ 1,016.30 crore (March 31, 2025: ₹ 575.52 crore).

The Group does not originate loans classified as Stage 3 assets, and loans classified as Stage 2 assets are originated only based on specific credit assessments and requisite approvals. Write offs are undertaken only in respect of Stage 3 loans. This disclosure represents movements between opening and closing balances for the year and, accordingly, does not capture inter stage transfers during the period (i.e., movements between Stage 1, Stage 2, and Stage 3). Accordingly, the write offs reported above relate only to loans forming part of the opening balance.

Notes forming part of the Consolidated Financial Statements

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Residential Loans is, as follows:

Gross exposure reconciliation

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 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
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(176.08)	127.85	48.23	-
- Transfers to Stage 2	82.91	(143.38)	60.47	-
- Transfers to Stage 3	4.72	3.22	(7.94)	-
- Loans that have been derecognised during the period	(849.94)	(102.49)	(478.45)	(1,430.88)
New loans originated during the year	3,034.76	1.78	1.80	3,038.34
Write-offs	-	-	(67.39)	(67.39)
Impact of changes on items within the same stage	(447.23)	(81.47)	(2.31)	(531.01)
Gross carrying amount balance as at March 31, 2026	8,022.77	286.03	203.35	8,512.15

Reconciliation of ECL balance on Residential Loans

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1, 2024	15.93	49.25	210.61	275.79
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)	(50.14)
New loans originated during the year	1.49	0.83	0.57	2.89

Notes forming part of the Consolidated Financial Statements

Reconciliation of ECL balance on Residential Loans (Contd.)

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
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	10.82	47.59	550.96	609.36
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	(0.88)	0.58	0.30	-
- Transfers to Stage 2	10.08	(15.07)	4.98	-
- Transfers to Stage 3	1.91	1.39	(3.30)	-
- Loans that have been derecognised during the period	(1.44)	(9.51)	(426.67)	(437.62)
New loans originated during the year	6.97	0.19	0.59	7.76
Write-offs	-	-	(61.08)	(61.08)
Impact of changes on items within the same stage	(3.10)	2.49	74.71	74.10
ECL allowance balance as at March 31, 2026	24.35	27.67	140.49	192.52

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 2026 and are under enforcement activity was ₹ 37.44 crores (March 31, 2025: ₹ 37.44 crore).

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows:

Gross exposure reconciliation

₹ in 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 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

Notes forming part of the Consolidated Financial Statements

Gross exposure reconciliation (Contd.)

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	10.15	(9.22)	(0.93)	-
- Transfers to Stage 2	(65.91)	65.91	-	-
- Transfers to Stage 3	(63.24)	(12.28)	75.52	-
- Loans that have been derecognised during the period	(2,259.95)	(7.88)	(21.21)	(2,289.04)
New loans originated during the year	4,912.22	7.86	6.42	4,926.50
Write-offs	(13.66)	(19.25)	(34.28)	(67.19)
Impact of changes on items within the same stage	(606.69)	(11.98)	(10.01)	(628.69)
Gross carrying amount balance as at March 31, 2026	7,941.36	68.20	80.57	8,090.12

Reconciliation of ECL balance

₹ 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 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
Changes due to loans recognised in the opening balance that have:				
- Transfers to Stage 1	3.55	(2.84)	(0.71)	-
- Transfers to Stage 2	(0.18)	0.18	-	-
- Transfers to Stage 3	(0.17)	(4.08)	4.25	-
- Loans that have been derecognised during the period	(2.68)	(2.45)	(16.18)	(21.31)
New loans originated during the year	28.06	2.22	4.08	34.36
Write-offs	(0.04)	(7.10)	(26.07)	(33.21)
Impact of changes on items within the same stage	19.63	14.85	36.28	70.76
ECL allowance balance as at March 31, 2026	61.37	19.22	51.18	131.77

Notes forming part of the Consolidated Financial Statements

The contractual amount outstanding on financial assets that has been written off by the Group during the year ended 31 March 2026 and that were still subject to enforcement activity was ₹ 67.19 crore (March 31, 2025: ₹ 40.83 crore).

The increase in ECL of the portfolio was driven by increase in the gross size of the portfolio.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments of Retail and Residential loans is, as follows:

Gross exposure reconciliation				
₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 2024	596.38	0.63	0.10	597.11
Changes due to loans recognised in the opening balance that have:				
New Exposures	731.45	0.15	-	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	765.62	0.41	0.05	766.08
Changes due to loans recognised in the opening balance that have:				
New Exposures	1,616.64	-	-	1,616.64
Exposure derecognised or matured/ lapsed (excluding write-offs)	(677.03)	(0.40)	(0.05)	(677.48)
- Transfers to Stage 1	(0.59)	0.59	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	(29.67)	(0.09)	-	(29.76)
Gross carrying amount balance as at March 31, 2026	1,674.97	0.51	-	1,675.48

Reconciliation of ECL balance on loan commitments				
₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at April 1, 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)

Notes forming part of the Consolidated Financial Statements

Reconciliation of ECL balance on loan commitments (Contd.)				
₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
- 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
Changes due to loans recognised in the opening balance that have:				
New Exposures	6.39	-	-	6.39
Exposure derecognised or matured/ lapsed (excluding write-offs)	(0.69)	-	-	(0.69)
- Transfers to Stage 1	(0.00)	0.00	-	-
- Transfers to Stage 2	-	-	-	-
- Transfers to Stage 3	-	-	-	-
- Loans that have been derecognised during the period	(0.27)	(0.04)	(0.01)	(0.32)
Impact of changes on items within the same stage	0.13	0.05	0.00	0.18
ECL allowance balance as at March 31, 2026	6.62	0.04	0.00	6.67

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				
₹ in crore				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 1, 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

Notes forming part of the Consolidated Financial Statements

Gross exposure reconciliation (Contd.)

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
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	(286.40)	-	-	(286.40)
New Investments originated during the year	-	-	-	-
Write-offs	-	-	-	-
Impact of changes on items within the same stage	22.43	-	-	22.43
Gross carrying amount balance as at March 31, 2026	991.90	-	-	991.90

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

The Group mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to companies provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the companies risk.

Concentration of Credit Risk

Group's loan portfolio is predominantly to finance retail automobile and home loans. The Group manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans and trade advances:

₹ in crore

Particulars	As at March 31, 2026	As at March 31, 2025
Concentration by Geographical region in India:		
North	47,476.93	41,710.40
East	24,305.96	22,789.92
West	43,465.44	37,449.66
South	27,338.14	25,204.37
	1,42,586.47	1,27,154.35
Concentration by Geographical region outside India:		
Sri Lanka	818.37	434.01
	818.37	434.01
Total Gross Carrying Value	1,43,404.84	1,27,588.36

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.

Notes forming part of the Consolidated Financial Statements

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:

₹ in crore

Loan To Value	Gross Value of Secured Retail loans		Gross Value of total Residential loans		Gross Value of Secured SME loans	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
0 - 50%	8,765.57	7,607.69	3,193.65	2,973.69	2,344.13	2,183.72
51 - 70%	18,441.67	16,218.36	2,629.69	2,391.55	1,616.83	1,074.94
71 - 100%	70,508.10	64,950.55	2,598.44	2,137.73	817.53	610.80
Above 100%	24,692.52	21,244.74	-	-	26.45	41.14
	1,22,407.86	1,10,021.34	8,421.78	7,502.97	4,804.94	3,910.60

Gross value of credit impaired loans to value of collateral

₹ 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	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
0 - 50%	673.50	608.06	86.17	309.14	22.34	27.51
51 - 70%	756.84	717.54	72.04	247.93	18.25	5.10
71 - 100%	1,613.57	1783.27	45.13	91.88	12.66	6.31
Above 100%	1,462.07	1239.64	-	-	27.32	26.15
	4,505.98	4,348.51	203.34	648.95	80.57	65.07

Quantitative Information of Collateral

The below tables provide an analysis of the current fair values of collateral held for stage 3 assets. The value of collateral has not been considered while recognising the loss allowances.

Fair value of collateral held against Credit Impaired assets

₹ in crore

March 31, 2026	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	4,505.98	7,184.13	-	-	-	2,936.14	4,247.99	257.99	2,632.97
Residential Loans	203.34	-	-	983.90	-	782.31	201.60	1.74	140.49
SME Loans	80.57	-	69.36	80.24	-	96.53	53.07	27.50	51.18

₹ 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	4,348.51	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	550.96
SME Loans	65.07	-	42.57	38.15	44.00	85.69	39.03	26.04	49.53

Notes forming part of the Consolidated Financial Statements

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.

₹ in crore				
Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-26				
Trade Payable	1,159.40	5.21	-	-
Debt Securities	13,597.62	11,445.32	6,120.32	4,778.81
Borrowings (Other than Debt Securities)	39,088.57	41,136.40	3,603.06	18.13
Deposit	6,721.74	8,078.28	932.99	-
Subordinated liabilities	1,559.78	1,654.45	770.90	4,352.64
Other financial liabilities	1,087.85	212.48	160.94	109.97
Total	63,214.96	62,532.13	11,588.21	9,259.55
31-Mar-25				
Trade Payable	1,459.08	0.16	-	-
Debt Securities	12,011.85	10,897.93	7,299.28	4,922.30
Borrowings (Other than Debt Securities)	30,346.38	42,526.76	7,319.25	69.30
Deposit	4,780.08	7,057.36	1,310.29	-
Subordinated liabilities	714.93	2,373.54	1,093.68	4,555.52
Other financial liabilities	636.23	216.94	156.71	127.30
Total	49,948.55	63,072.69	17,179.22	9,674.42

b) Maturity profile of derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments.

₹ in crore				
Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Derivative financial instruments				
As at March 31, 2026				
Foreign exchange forward contracts				
- Payable	-	-	-	-
- Receivable	-	443.53	-	-

Notes forming part of the Consolidated Financial Statements

b) Maturity profile of derivative financial liabilities (Contd.)

₹ in crore				
Particulars	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and above
Interest Rate swaps				
- Payable	-	7.24	0.87	-
- Receivable	-	5.77	-	-
Currency swaps				
- Payable	-	-	-	-
- Receivable	-	-	-	-
Total Payable	-	7.24	0.87	-
Total Receivable	-	449.30	-	-
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	-	-

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

₹ 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, 2026					
1) Foreign currency forwards, Interest rate, currency swaps & commodity derivatives	Financial Assets/ (Liabilities)	Financial Instruments measured at FVTPL/FVOCI	395.12	(360.66)	Level 2	Discounted Cash Flow	Future cash flows are 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	377.73	352.59	Level 1	Quoted market price		
3) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	124.03	24.87	Level 1	Quoted market price		
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	-	593.75	Level 2	Quoted market price of similar instrument		

Notes forming part of the Consolidated Financial Statements

a) Financial Instruments regularly measured using Fair Value - recurring items (Contd.) ₹ in crore

Particulars	Fair Value		As at March 31, 2026	As at March 31, 2025	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							
5) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	465.31	-	Level 1	Quoted market price			
6) Investment in Certificate of deposits with banks	Financial Assets	Financial instrument measured at FVTPL	308.29	2,330.40	Level 2	Quoted market price of similar instrument			
7) Investment in equity instruments- Quoted	Financial Assets	Financial instrument designated at FVOCI	0.10	0.18	Level 1	Quoted market price			
8) Investment in equity instruments- Unquoted	Financial Assets	Financial instrument designated at FVOCI	155.26	126.68	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.
9) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	3,346.47	4,429.26	Level 1	Quoted market price			
10) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	302.41	282.09	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.

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value ₹ in crore

Particulars	Unquoted Equity investment	Total
31 March 2026		
Opening balance	126.68	126.68
Total gains or losses recognised:		
In Profit or loss		
a) in profit or loss	-	-
b) in other comprehensive income	28.58	28.58
Fair value of -		
Purchases made during the year	-	-
Disposals made during the year		
Transfers into Level 3		
Transfers out of Level 3		
Closing balance	155.26	155.26

Notes forming part of the Consolidated Financial Statements

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value (Contd.) ₹ in crore

Particulars	Unquoted Equity investment	Total
31 March 2025		
Opening balance	126.68	126.68
Total gains or losses recognised:		
In Profit or loss		
a) in profit or loss	-	-
b) in other comprehensive income	(0.00)	(0.00)
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	126.68	126.68

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.

Particulars	March 31, 2026	March 31, 2025
Equity investment in Smartshift Logistic Solutions Private Limited, New Democratic Electoral Trust and Equity Investment in Unquoted shares of CRIB, Sri Lanka		
Fair Value of Investments	155.26	126.68

There are no disposal of investment during the year ended 31 March 2026 and 2025 respectively.

d) Financial Instruments measured at amortized cost

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at March 31, 2026					
Financial assets					
a) Bank balances other than cash and cash equivalent	7,102.67	6,955.69	6,947.38	-	8.31
b) Loans and advances to customers	1,39,264.83	1,50,010.65	-	-	1,50,010.65
c) Financial investments - at amortized cost	1,010.07	1,010.07	1,010.07	-	-
Total	1,47,377.57	1,57,976.41	7,957.45	-	1,50,018.96

Notes forming part of the Consolidated Financial Statements

d) Financial Instruments measured at amortized cost (Contd.).

₹ in crore

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
Financial liabilities					
a) Debt securities	30,727.90	30,805.68	29,791.07	1,014.62	-
b) Borrowings other than debt securities	77,612.35	77,945.81	-	77,945.81	-
c) Deposits	14,129.61	14,564.28	-	14,564.28	-
d) Subordinated Liabilities	5,900.58	5,943.46	3,338.32	2,605.14	-
e) Other Financial liabilities	1,492.01	1,507.31	-	1,132.63	374.67
Total	1,29,862.45	1,30,766.54	33,129.39	97,262.48	374.67
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	5,190.19	-	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	1,21,275.27	32,750.86	88,045.00	479.41

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.

Long-term financial assets and liabilities

For other long term financial asset and liabilities like lease liabilities, the fair value are estimated by discounted cash flow models based on contractual cash flows, and are disclosed as Level 3 fair value.

Notes forming part of the Consolidated Financial Statements

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.

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.

₹ in crore

Assets	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	465.45	-	465.45	1,830.25	-	1,830.25
Bank balance	7,102.67	-	7,102.67	4,016.95	-	4,016.95
Derivative financial instruments	-	402.60	402.60	30.95	-	30.95
Trade receivables	325.74	-	325.74	246.69	-	246.69
Loans	50,299.73	88,965.10	1,39,264.83	44,323.33	79,190.23	1,23,513.56
Investments	2,432.74	4,974.17	7,406.91	5,624.45	4,965.34	10,589.79
Other financial assets	175.17	63.16	238.33	157.77	105.07	262.84
Current tax assets (Net)	-	623.26	623.26	-	736.36	736.36
Deferred tax Assets (Net)	-	825.93	825.93	-	828.55	828.55
Property, plant and equipment	-	1,075.29	1,075.29	-	1,027.13	1,027.13
Capital work-in-progress	-	1.65	1.65	-	0.52	0.52
Intangible assets under development	-	5.42	5.42	-	65.64	65.64
Other Intangible assets	-	253.02	253.02	-	179.82	179.82
Other non-financial assets	562.31	90.53	652.84	654.19	122.02	776.21
Total Assets	61,363.81	97,280.13	1,58,643.94	56,884.58	87,220.68	1,44,105.26
Liabilities						
Financial Liabilities			-			-
Derivative financial instruments	-	7.48	7.48	370.29	21.32	391.61
Trade Payables			-			-
i) total outstanding dues of micro enterprises and small enterprises	0.28	-	0.28	0.33	-	0.33
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,141.80	-	1,141.80	1,440.32	-	1,440.32

Notes forming part of the Consolidated Financial Statements

51. Maturity analysis of assets and liabilities (Contd.)

₹ in crore

Assets	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	5.72	-	5.72	2.71	-	2.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.08	-	34.08	17.87	-	17.87
Debt Securities	12,468.08	18,259.82	30,727.90	11,217.26	18,644.64	29,861.90
Borrowings (Other than Debt Securities)	35,569.62	42,042.73	77,612.35	25,986.94	45,766.59	71,753.53
Deposits	6,209.53	7,920.08	14,129.61	4,244.03	7,129.94	11,373.97
Subordinated Liabilities	1,377.12	4,523.46	5,900.58	527.39	5,576.45	6,103.84
Other financial liabilities	1,071.86	420.15	1,492.01	583.82	458.62	1,042.44
Non-Financial Liabilities						
Current tax liabilities (Net)	168.87	-	168.87	82.22	-	82.22
Provisions	274.91	190.38	465.29	173.32	83.42	256.74
Other non-financial liabilities	264.99	1.01	266.00	202.33	2.47	204.80
Total Liabilities	58,586.86	73,365.11	1,31,951.97	44,848.83	77,683.45	1,22,532.28
Net	2,776.95	23,915.02	26,691.97	12,035.75	9,537.23	21,572.98
Other undrawn commitments	1,750.45	-	1,750.45	863.42	-	863.42
Total commitments	1,750.45	-	1,750.45	863.42	-	863.42

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)	Mahindra USA, Inc NBS International Limited Mahindra First Choice Wheels Limited Mahindra Defence Systems Limited Mahindra Integrated Business Solutions Private Limited Mahindra Logistics Limited Mahindra Accelo Limited Gromax Agri Equipment Limited Mahindra Holidays & Resorts India Limited Mahindra Susten Pvt Limited Mahindra Epc Irrigation Limited Mahindra Industrial Park Chennai Limited Mahindra Sumit Agriscience Limited Swaraj Engines Limited Mahindra Racing Uk Limited Mahindra Teqo Pvt Limited Mahindra World City Developers Limited Mahindra Aerostructures Private Limited

Notes forming part of the Consolidated Financial Statements

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows: (Contd.)

		Mahindra Agri Solutions Limited Mahindra Electric Automobile Limited Mahindra HZPC Private Limited Mahindra Last Mile Mobility Limited Mahindra Lifespace Developers Limited Mahindra Solarize Pvt Limited Mahindra World City (Jaipur) Limited Naandi Community Water Services Private Limited Sustainable Energy Infra Investment Managers Private Limited MLL Express Services Private Limited MLL Mobility Private Limited Bristlecone India 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 Mrs. Padmaja Chunduru Mr. Ramesh Iyer (Ceased to be KMP w.e.f April 29, 2024) Mr. C. B. Bhawe (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)
f)	Relatives of Key Management Personnel (where there are transactions)	Mr. Joan Rebello Mr. Dinesh Iyer (Relatives of ceased KMP w.e.f April 29, 2024) Mrs. Janki Iyer (Relatives of ceased KMP w.e.f April 29, 2024) Mrs. Girija Subramanian (Relatives of ceased KMP w.e.f April 29, 2024) Mr. Risheek Ramesh Iyer (Relatives of ceased KMP w.e.f April 29, 2024)
h)	Welfare Funds/Post-employment benefit plans	Mahindra & Mahindra Financial Services Limited Group Gratuity Cum Life Assurance Scheme Mahindra & Mahindra Financial Services Limited Superannuation Scheme Mahindra Rural housing finance Limited Group gratuity cum Life Assurance Scheme

Notes forming part of the Consolidated Financial Statements

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

Particulars	Holding Company		Fellow subsidiaries/ Joint ventures/ Associates of Holding company		Joint Venture(s)/ Associate(s)		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Subvention/Incentive income												
- Mahindra & Mahindra Limited	3.20	19.17	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited			9.52	9.88								-
Lease rental income												
- Mahindra & Mahindra Limited	116.63	93.73	-	-	-	-	-	-	-	-	-	-
- Swaraj Engines Limited	-	-	0.58	0.41	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	0.48	0.30	-	-	-	-	-	-	-	-
- Mahindra Heavy Engines Limited	-	-	-	0.04	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.28	0.28	-	-	-	-	-	-	-	-
- Mahindra Solarize Private Limited	-	-	0.03	0.07	-	-	-	-	-	-	-	-
- Mahindra Integrated Business solution	-	-	0.33	0.30	-	-	-	-	-	-	-	-
- Mahindra Tego Pvt Limited	-	-	0.28	0.13	-	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	1.84	1.50	-	-	-	-	-	-	-	-
- Mahindra Two Wheelers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-
- Mahindra HZPC Private Limited	-	-	0.23	0.13	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	5.49	4.20	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	1.22	0.59	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	1.91	0.95	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	12.44	8.51	-	-	-	-	-	-	-	-
- Mahindra Agri Solutions Limited	-	-	1.93	1.42	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	0.22	0.20	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: (Contd.)

Particulars	Holding Company		Fellow subsidiaries/ Joint ventures/ Associates of Holding company		Joint Venture(s)/ Associate(s)		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
- Mahindra Defence Systems Ltd	-	-	1.04	0.60	-	-	-	-	-	-	-	-
- Smartshift Logistics Solutions Pvt Ltd	-	-	0.35	0.47	-	-	-	-	-	-	-	-
- Mahindra Aerostructures Private Limited	-	-	0.05	0.02	-	-	-	-	-	-	-	-
- Mahindra Electric Automobile Limited	-	-	1.52	0.20	-	-	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	0.14	0.02	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	0.20	0.02	-	-	-	-	-	-	-	-
- MLL Express Services Private Limited	-	-	0.08	-	-	-	-	-	-	-	-	-
- Mahindra Epc Irrigation Limited	-	-	0.03	-	-	-	-	-	-	-	-	-
- Mahindra World City Developers Limited	-	-	0.09	-	-	-	-	-	-	-	-	-
- Mahindra Industrial Park Chennai Ltd	-	-	0.03	-	-	-	-	-	-	-	-	-
- MLL Mobility Private Limited	-	-	0.07	-	-	-	-	-	-	-	-	-
Interest income												
- Mahindra & Mahindra Limited	2.60	2.17	-	-	-	-	-	-	-	-	-	-
Income from sharing services												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	-	1.05	-	-	-	-	-	-
Other Income												
- Mahindra & Mahindra Limited	0.13	0.34	-	-	-	-	-	-	-	-	-	-
Interest expense												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	4.10	4.09	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: (Contd.) ₹ 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		Post employment benefit plan	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
- Mahindra Holidays & Resorts India Limited	-	-	13.42	13.55	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.07	0.07	-	-	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	0.00	0.18	-	-
Other expenses														
- Mahindra & Mahindra Limited	32.42	27.93	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	24.68	23.85	-	-	-	-	-	-	-	-	-	-
- Bristlecone India Limited	-	-	-	0.69	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	6.65	4.06	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited.	-	-	75.89	73.83	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.39	0.08	-	-	-	-	-	-	-	-	-	-
- Mahindra Accelo Limited	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-
- Mahindra Happinest Developers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	47.36	62.72	-	-	-	-	-	-	-	-	-	-
- Others	-	-	0.01	0.28	-	-	-	-	-	-	-	-	-	-
- Kanha & Co.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations														
- National Democratic Electoral Trust	-	-	-	21.00	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Foundation	-	-	1.00	0.15	-	-	-	-	-	-	-	-	-	-
Remuneration														
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	-	-	3.65	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	-	-	5.98	3.95	-	-	-	-
Sitting fees and commission														
- Mr C. B. Bhawe	-	-	-	-	-	-	-	-	-	0.57	-	-	-	-

Notes forming part of the Consolidated Financial Statements

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: (Contd.) ₹ 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		Post employment benefit plan	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
- Mr Dhananjay Mungale	-	-	-	-	-	-	-	-	-	0.24	-	-	-	-
- Ms Rama Bijapurkar	-	-	-	-	-	-	-	-	-	0.23	-	-	-	-
- Mr Milind Sarwate	-	-	-	-	-	-	-	-	0.71	0.69	-	-	-	-
- Dr Rebecca Nugent	-	-	-	-	-	-	-	-	0.56	0.54	-	-	-	-
- Mr Diwakar Gupta	-	-	-	-	-	-	-	-	0.66	0.65	-	-	-	-
- Mr Ashwani Ghai	-	-	-	-	-	-	-	-	0.52	0.47	-	-	-	-
- Mr Vijay Kumar Sharma	-	-	-	-	-	-	-	-	0.60	0.45	-	-	-	-
- Mrs Padmaja Chunduru	-	-	-	-	-	-	-	-	0.20	-	-	-	-	-
Reimbursement from parties														
- Mahindra & Mahindra Limited	5.06	1.86	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	0.79	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.55	0.07	-	-	-	-	-	-	-	-	-	-
- Gromax Agri Equipment Limited	-	-	2.13	3.90	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	1.37	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Limited Group Gratuity Cum Life Assurance Scheme	-	-	-	-	-	-	-	-	-	-	-	2.1.46	-	-
- Mahindra Rural housing finance Limited Group gratuity cum Life Assurance Scheme	-	-	-	-	-	-	-	-	-	-	-	2.27	-	-
Reimbursement to parties														
- Mahindra & Mahindra Limited	31.26	26.30	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra USA, Inc	-	-	2.06	3.09	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: (Contd.) ₹ 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		Post employment benefit plan	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
- Mahindra First Choice Wheels Limited	-	-	0.48	0.42	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	0.02	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	0.03	0.01	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	0.06	-	-	-	-	-	-	-	-	-
- Mahindra Racing Uk Limited	-	-	0.01	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	-	0.16	-	-	-	-	-	-	-	-
- Mahindra & Mahindra Financial Services Limited Superannuation Scheme	-	-	-	-	-	-	-	-	-	-	7.45	-
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	119.10	128.69	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Ltd.	-	-	-	0.19	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	13.88	9.37	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	22.50	-	-	-	-	-	-	-	-	-
Sale of fixed assets												
- Mahindra & Mahindra Limited	0.25	0.44	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	0.19	0.27	-	-	-	-	-	-	-	-
- Mahindra World City (Jaipur) Limited	-	-	-	0.20	-	-	-	-	-	-	-	-
- Mahindra Accelo Limited	-	-	0.04	-	-	-	-	-	-	-	-	-
- MLL Mobility Private Limited	-	-	7.45	-	-	-	-	-	-	-	-	-
Fixed deposits taken												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows: (Contd.) ₹ 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		Post employment benefit plan	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
- PSL Media & Communications Limited	-	-	-	0.21	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	25.00	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	0.17	-	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	0.00	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	2.40	-	-	-	-
Fixed deposits matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	-	0.21	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Ltd	-	-	-	15.00	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	0.85	-	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	0.00	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	2.30	-	-	-	-
Dividend paid												
- Mahindra & Mahindra Limited	474.23	405.97	-	-	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	1.00	-	-	-	-	-	-
- Ms. Rama Bijapurkar	-	-	-	-	-	0.02	-	-	-	-	-	-
- Mr. Dhananjay Mungale	-	-	-	-	-	0.01	-	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	0.00	0.00	-	-	-	-	-
- Others	-	-	-	-	-	-	-	0.00	-	-	-	-
Inter corporate deposits repaid/matured												
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	-	90.00	-	-	-	-	-	-	-	-

Key Management Personnel as defined in Ind AS 24

Notes forming part of the Consolidated Financial Statements

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		Post employment benefit plan	
	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
Balances as at the end of the period														
Receivables														
- Mahindra & Mahindra Limited	1.48	5.93	-	-	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	2.11	1.19	-	-	-	-	-	-	-	-	-	-
- Mahindra Summit Agriscience Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Teqo	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Susten Private Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Lifespace Developers Limited	-	-	0.22	-	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.44	0.98	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Limited	-	-	3.84	4.42	-	-	-	-	-	-	-	-	-	-
- Sustainable Energy Infra Investment Managers Private Limited	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Defence Systems Ltd	-	-	0.01	0.09	-	-	-	-	-	-	-	-	-	-
- Mahindra HZPC Pvt Ltd	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-
- MLL Mobility Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- MLL Express Services Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Epc Irrigation Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Agri Solutions Ltd	-	-	0.18	-	-	-	-	-	-	-	-	-	-	-
Investments														
- Mahindra Finance USA, Inc.	-	-	-	-	210.55	210.55	-	-	-	-	-	-	-	-
- Mahindra Manulife Investment Management Private Limited	-	-	-	-	195.30	195.30	-	-	-	-	-	-	-	-

iii) Balances as at the end of the year: (Contd)

Particulars	Holding Company		Fellow Subsidiaries/ Joint Ventures/ Associates of Holding Company				Joint Venture(s)/ Associate(s)		Key Management Personnel		Relatives of Key Management Personnel		Post employment benefit plan	
	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
- 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 Limited	-	-	-	-	48.57	48.57	-	-	-	-	-	-	-	-
Payables														
- Mahindra & Mahindra Limited	6.33	16.73	-	-	-	-	-	-	-	-	-	-	-	-
- Mahindra First Choice Wheels Limited	-	-	313	205	-	-	-	-	-	-	-	-	-	-
- Mahindra USA, Inc.	-	-	0.09	2.35	-	-	-	-	-	-	-	-	-	-
- Mahindra Integrated Business Solutions Limited	-	-	205	247	-	-	-	-	-	-	-	-	-	-
- NBS International Limited	-	-	1.41	1.06	-	-	-	-	-	-	-	-	-	-
- Tech Mahindra Limited	-	-	0.08	9.97	-	-	-	-	-	-	-	-	-	-
- Mahindra Electric Mobility Limited	-	-	0.73	1.50	-	-	-	-	-	-	-	-	-	-
- Mahindra Logistics Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-
- Mahindra Last Mile Mobility Ltd	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-
- Others	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Fixed deposits (including interest accrued but not due)														
- Mahindra & Mahindra Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- PSL Media & Communications Limited	-	-	0.88	0.86	-	-	-	-	-	-	-	-	-	-
- Mahindra Holidays & Resorts India Limited	-	-	176.62	164.54	-	-	-	-	-	-	-	-	-	-
- Mr. Ramesh Iyer	-	-	-	-	-	-	-	0.17	-	-	-	-	-	-
- Mr Raul Rebello	-	-	-	-	-	-	0.00	0.00	-	0.05	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-	-	2.48	-	-	-

Notes forming part of the Consolidated Financial Statements

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

As at March 31, 2026

₹ in crore					
Particulars	Relationship	Balance as on April 1, 2025	Advances/ investments	Repayments/ sale	Balance as on March 31, 2026
(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 March 31, 2025

₹ in crore					
Particulars	Relationship	Balance as on April 1, 2025	Advances/ investments	Repayments/ sale	Balance as on March 31, 2026
(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.

Notes forming part of the Consolidated Financial Statements

v) Details of related party transactions with Key Management Personnel (KMP) are as under:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

₹ in crore			
Name of the KMP	Nature of transactions	31 March 2026	31 March 2025
Mr. Ramesh Iyer (Vice-Chairman & Managing Director) (Ceased to be a director w.e.f 29 April 2024)	Gross Salary including perquisites	-	3.65
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	-	-
		-	3.65
Mr. Raul Rebello (Managing Director & Chief Executive Officer) (Appointed w.e.f. 1 May 2023)	Gross Salary including perquisites	5.60	3.62
	Commission	-	-
	Stock Option	-	-
	Others - Contribution to Funds	0.38	0.33
		5.98	3.95
Mr. Dhananjay Mungale (Independent Director) (Ceased to be a director w.e.f July 23, 2024)	Commission	-	0.14
	Sitting fees	-	0.11
		-	0.24
Ms. Rama Bijapurkar (Independent Director) (Ceased to be a director w.e.f July 23, 2024)	Commission	-	0.14
	Sitting fees	-	0.09
		-	0.23
Mr. C.B. Bhawe (Independent Director) (Ceased to be a director w.e.f Feb 02, 2025)	Commission	-	0.34
	Sitting fees	-	0.23
		-	0.57
Mr. Milind Sarwate (Independent Director)	Commission	0.44	0.40
	Sitting fees	0.27	0.29
		0.71	0.69
Dr. Rebecca Nugent (Independent Director)	Commission	0.44	0.40
	Sitting fees	0.12	0.14
		0.56	0.54
Diwakar Gupta (Independent Director)	Commission	0.44	0.40
	Sitting fees	0.22	0.24
		0.66	0.64
Vijay Kumar Sharma (Appointed w.e.f. 15 May 2024)	Commission	0.43	0.35
	Sitting fees	0.17	0.09
		0.60	0.45

Notes forming part of the Consolidated Financial Statements

v) Details of related party transactions with Key Management Personnel (KMP) are as under: (Contd.)

₹ in crore			
Particulars	Nature of transactions	31 March 2026	31 March 2025
Ashwani Ghai (LIC of India representative)	Commission	0.43	0.39
	Sitting fees	0.09	0.08
		0.52	0.47
Padmaja Chunduru (Appointed w.e.f. 10 Nov 2025)	Commission	0.18	-
	Sitting fees	0.02	-
		0.20	-

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:

₹ in crore			
Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest/Voting power	
		31 March 2026	31 March 2025
Mahindra Insurance Brokers Limited (MIBL)	India	100.00%	100.00%
Mahindra Rural Housing Finance Limited (MRHFL)	India	98.64%	98.78%
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%

b) Details of Group's associate/joint venture at the end of the reporting period are as follows:

₹ in crore			
Name of the Associate/Joint Venture	Place of Incorporation and Place of Operation	Proportion of Ownership Interest/Voting power	
		31 March 2026	31 March 2025
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%

Notes forming part of the Consolidated Financial Statements

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:

Particulars	Mahindra Insurance Brokers Limited		Mahindra Rural Housing Finance Limited		Mahindra Ideal Finance Limited	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Financial Assets	776.01	828.98	9,000.39	7,540.77	900.75	473.69
Non Financial Assets	240.71	193.68	312.21	336.57	26.48	21.06
Financial Liabilities	277.57	232.37	7,963.60	6,599.69	810.55	400.67
Non Financial Liabilities	75.77	62.65	35.79	17.34	10.10	5.05
Equity interest attributable to the owners*	663.38	727.64	1,295.34	1,244.92	62.03	51.82
Non-controlling interest*	-	-	17.87	15.39	44.55	37.22
Total Income	1,497.36	1,239.59	1,175.04	1,196.70	123.93	77.84
Expenses (including tax expenses)	1,383.77	1,150.81	1,117.03	1,424.64	100.13	73.70
Profit/(Loss) for the year	113.59	88.78	58.01	(227.94)	23.80	4.14
Total Comprehensive Income for the year	113.06	90.54	53.29	(227.30)	13.90	4.29
Total Comprehensive Income attributable to the owners of the company	113.06	90.54	52.60	(224.58)	6.57	1.16
Total Comprehensive Income attributable to the Non-controlling interest	-	-	0.69	(2.72)	7.33	3.13
Dividends paid to Non-controlling interest	-	-	-	-	-	-
Opening Cash & Cash Equivalents	22.51	12.52	135.99	576.73	5.14	3.08
Closing Cash & Cash Equivalents	5.98	22.51	46.36	135.99	21.64	5.14
Net Cash inflow/(outflow) - includes Foreign currency translation	(16.53)	9.99	(89.63)	(440.74)	16.50	2.06

*The Equity interest attributable to the owners and Non-controlling interest for MIFL is excluding the impairment loss provision adjusted against identified assets.

Notes forming part of the Consolidated Financial Statements

d) Details of Non-Wholly Owned Subsidiaries that have material Non Controlling Interest: ₹ 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 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Mahindra Insurance Brokers Limited (Refer note 39)	India	0.00%	0.00%	-	-	-	-
Mahindra Rural Housing Finance Limited	India	1.36%	1.22%	0.69	(2.72)	17.87	15.39
Mahindra Ideal Finance Limited	Sri Lanka	41.80%	41.80%	7.33	3.13	35.46	28.13
TOTAL				8.02	0.41	53.33	43.52

The Company has written put option for acquiring ownership interest held by Non Controlling Interest in the above mentioned subsidiaries.

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	
	2026	2025	2026	2025	2026	2025
Financial Assets	218.35	201.87	2.50	2.33	9,886.52	9,460.22
Non Financial Assets	26.44	24.71	0.27	0.00	50.83	36.91
Financial Liabilities	35.12	26.97	0.31	0.02	7,757.68	7,651.29
Non Financial Liabilities	27.55	21.41	0.01	0.05	15.53	13.88
Equity interest attributable to the owners	92.88	90.88	1.25	1.15	1,060.42	897.66
Non-controlling interest	89.24	87.32	1.20	1.11	1,103.71	934.30
Total Interest Income	5.93	6.89	-	-	702.47	694.36
Other income	108.18	80.82	0.78	1.14	30.42	29.24
Finance Costs	1.34	1.18	0.01	-	336.40	332.89
Depreciation and amortisation	6.38	5.67	0.02	0.00	-	-
Other expenses	99.89	90.92	0.53	0.52	213.50	199.10
Income tax expense	2.32	-	0.04	0.14	45.41	48.53
Profit/(Loss) for the year	4.18	(10.06)	0.19	0.48	137.57	143.09
Total Comprehensive Income for the year	3.92	(10.26)	0.19	0.48	137.57	143.09

Notes forming part of the Consolidated Financial Statements

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: (Contd.)

Particulars	Mahindra Manulife Investment Management Private Limited		Mahindra Manulife Trustee Private Limited		Mahindra Finance USA, LLC	
	2026	2025	2026	2025	2026	2025
Total Comprehensive Income attributable to the owners of the company	2.00	(5.23)	0.10	0.24	67.41	70.11
Total Comprehensive Income attributable to the Non-controlling interest	1.92	(5.03)	0.09	0.24	70.16	72.98
Opening Cash & Cash Equivalents	0.10	0.08	0.02	0.03	7.34	16.59
Closing Cash & Cash Equivalents	0.13	0.10	0.02	0.02	1.37	7.34
Net Cash inflow/(outflow)	0.03	0.02	(0.00)	(0.01)	(5.97)	(9.25)

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	
	2026	2025	2026	2025	2026	2025
Closing Net Assets	182.12	178.20	2.45	2.26	2,164.13	1,831.96
Group share in %	51.00%	51.00%	51.00%	51.00%	49.00%	49.00%
Group share	92.88	90.88	1.25	1.15	1,060.42	897.66
Carrying amount	92.88	90.88	1.25	1.15	1,060.42	897.66

Notes forming part of the Consolidated Financial Statements

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 ₹ 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	90.39%	24,126.84	91.03%	2,604.49	43.17%	68.34	88.52%	2,672.83
Subsidiaries								
Indian								
1. Mahindra Insurance Brokers Limited	3.38%	900.98	3.97%	113.59	-0.33%	(0.53)	3.74%	113.06
2. Mahindra Rural Housing Finance Limited	2.69%	718.98	2.00%	57.24	-2.93%	(4.64)	1.74%	52.60
3. Mahindra & Mahindra Financial Services Limited Employees Stock Option Trust	0.16%	42.85	0.08%	2.43	0.00%	-	0.08%	2.43
4. Mahindra Rural Housing Finance Limited Employee Welfare Trust	0.02%	4.20	-0.03%	(0.96)	0.00%	-	-0.03%	(0.96)
5. Mahindra Finance CSR Foundation	0.00%	(0.01)	0.00%	0.01	0.00%	-	0.00%	0.01
6. Mahindra Ideal Finance Limited	0.27%	71.12	0.28%	8.09	-0.97%	(1.53)	0.22%	6.56
Foreign -								
Non-controlling interests in all Subsidiaries	-	-	-	-	-	-	-	-
Associates (Investment as per the equity method)								
Indian								
Foreign								
Mahindra Finance USA, LLC	2.84%	758.85	2.36%	67.41	60.24%	95.36	5.39%	162.77
Joint Ventures (Investment as per the equity method)								
Indian								
1. Mahindra Manulife Investment Management Private Limited	0.05%	13.78	0.07%	2.13	-0.09%	(0.14)	0.07%	1.99
2. Mahindra Manulife Trustee Private Limited	0.00%	1.05	0.00%	0.10	0.00%	-	0.00%	0.10
Total	100.00%	26,691.97	100.00%	2,861.11	100.00%	158.31	100.00%	3,019.42

Notes forming part of the Consolidated Financial Statements

55.A. During the year ended March 31, 2026, the Parent Company has undertaken co-lending arrangements with respective participating banks and NBFCs in accordance with RBI circular no. RBI/2020-21/63 FIDD. CO.Plan.BC. No.8/04.09.01/2020-21, dated November 05, 2020. The details of such co-lending arrangements are provided in the below table.

₹ in crore			
Sr no	Particulars	As at March 31, 2026	As at March 31, 2025
I) As Originator RE -			
1)	Quantum of CLAs:		
-	Number of CLA Partners	2	-
-	Number of Outstanding cases	448	-
	Amount disbursed under CLA (₹ in crore)	36.11	-
2)	Weighted Average Rate of Interest (%)	10.52%	-
3)	Fees received (₹ In crore)	0.96	-
4)	Fees Paid (₹ In crore)	-	-
5)	Broad Sectors in which CLA was made	Vehicle Loans	-
6)	Performance of loans under CLA:		
-	Standard (₹ In crore)	35.66	-
-	Non-Performing Loans (₹ In crore)	-	-
7)	Details related to Default Loss Guarantee (DLG)	-	-
II) As Partner RE -			
1)	Quantum of CLAs:		
-	Number of CLA Partners	2	-
-	Number of Outstanding cases	1,918	-
2)	Amount disbursed under CLA (₹ in crore)	12.73	-
3)	Weighted Average Rate of Interest (%)	12.48%	-
4)	Fees received (₹ In crore)	-	-
5)	Fees Paid (₹ In crore)	0.03	-
6)	Broad Sectors in which CLA was made	Loan Against Property & Unsecured loans to MSME's	-
7)	Performance of loans under CLA:		
-	Standard (₹ In crore)	103.84	-
-	Non-Performing Loans (₹ In crore)	2.96	-
8)	Details related to Default Loss Guarantee (DLG)#	20.83	-

#Of the amount mentioned in point no.7 as DLG, ₹ 9.95 Crore stands Invoked.

55B During the year ended March 31, 2026, the Parent Company has not undertaken any co-lending arrangements with any of the banks or NBFCs in accordance with Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk), Directions, 2025 RBI/DOR/2025-26/352 DOR.STR.REC.271/21.04.048/2025/26 dated November 28, 2025.

Notes forming part of the Consolidated Financial Statements

56. During the previous year ended March 31, 2025, the Parent Company has made a contribution of ₹ 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 current year ended March 31, 2026.

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
ICAI FRN: 107122W/W100672

Sanjay Khemani
Partner
ICAI Membership No: 044577

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI Membership No: 041037

Mumbai
April 24, 2026

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

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Mumbai
April 24, 2026

Annexure A

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies / joint ventures in the Consolidated Financial Statements

Part "A": Subsidiaries [as per section 2(87) of the Companies Act, 2013]

₹ in crore							
1	Sl No.	1	2	3	4	5	6
2	Name of the subsidiary	Mahindra Insurance Brokers Ltd.	Mahindra Rural Housing Finance Ltd.	Mahindra CSR Foundation	Mahindra Manulife Investment Management Pvt. Ltd.	Mahindra Manulife Trustee Company Pvt. Ltd.	Mahindra Ideal Finance Limited
3	The date since when subsidiary was acquired	7 th April, 2004	9 th April, 2007	2 nd April, 2019	20 th June, 2013	25 th April, 2013	8 th July, 2021
4	Reporting period for the subsidiary concerned	1 st April, 2025 to 31 st March, 2026	1 st April, 2025 to 31 st March, 2026	1 st April, 2025 to 31 st March, 2026	1 st April, 2025 to 31 st March, 2026	1 st April, 2025 to 31 st March, 2026	1 st April, 2025 to 31 st March, 2026
5	Reporting currency as on the last date of the relevant Financial year	INR	INR	INR	INR	INR	LKR
6	Exchange rate	1.00	1.00	1.00	1.00	1.00	0.299
7	Share Capital	10.31	122.63	0.00	382.94	0.98	57.11
8	Reserves and Surplus	653.07	1,190.58	-0.01	-200.82	1.47	49.47
9	Total Assets	1,016.73	9,312.60	0.00	244.79	2.78	927.22
10	Total Liabilities (excluding Equity Share Capital and Reserves)	353.35	7,999.39	0.01	62.67	0.33	820.64
11	Investments (excluding subsidiaries)	448.96	512.02	-	171.47	2.43	68.57
12	Turnover	1,497.36	1,175.04	0.02	114.11	0.78	123.93
13	Profit / (Loss) before tax	157.03	77.68	-0.00	6.50	0.23	23.80
14	Provision for tax	43.44	19.67	-	2.32	0.04	9.90
15	Profit after tax	113.59	58.01	-0.00	4.18	0.19	13.90
16	Other Comprehensive Income	-0.53	-4.72	-	-0.27	-	-0.01
17	Total Comprehensive Income	113.06	53.29	-0.00	3.92	0.19	13.89
18	Proposed dividend & tax thereon	79.90	-	-	-	-	-
19	Proportion of ownership interest	100.00%	98.64%	100.00%	51.00%	51.00%	58.20%
20	Proportion of voting power where different	NA	NA	NA	NA	NA	NA

For Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Place: Mumbai
Date: April 24, 2026

Part "B" : Details of Associates / Joint Ventures [as per section 2(6) of the Companies Act, 2013]

₹ in crore

Name of Associate / Joint Venture		Mahindra Finance USA, LLC
1.	Latest audited Balance Sheet Date	March 31, 2026
2.	Date on which the Associate/Joint Venture was associated or acquired	January 10, 2011
3.	Shares of Associate/Joint Ventures held by the company on the year end	
	Number of shares held	3,55,83,920
	Cost of Investment in Associates/Joint Venture (Rs in crores)	210.55
	Proportion of ownership interest %	49.00
4.	Description of how there is significant influence	Power to influence decisions
5.	Reason why the associate/joint venture is not consolidated	Not Applicable
6.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs in crores)	1060.42
7.	Profit/(Loss) for the year	
i.	Considered in Consolidation (Rs in crores)	67.41
ii.	Not Considered in Consolidation (Rs in crores)	70.16

For Mahindra & Mahindra Financial Services Limited

Amarjyoti Barua
Director
[DIN: 09202472]

Raul Rebello
Managing Director & CEO
[DIN: 10052487]

Pradeep Kumar Agrawal
Chief Financial Officer

Brijbala Batwal
Company Secretary
Membership No.F5220

Place: Mumbai
Date: April 24, 2026

Notes

[illegible]

Corporate Information

(as on 25th June 2026)

BOARD OF DIRECTORS

Dr. Anish Shah,
Non-Executive Chairman
Mr. Raul Rebello,
Managing Director & CEO
Mr. Amarjyoti Barua, NED
Mr. Krishna Kumar S. Nair, NED
(appointed w.e.f. 23rd June 2026)
Mr. Parag Rao, NED

Independent Directors

Mr. Diwakar Gupta
Mr. Milind Sarwate
Ms. Padmaja Chunduru
Dr. Rebecca Nugent
Mr. Vijay Kumar Sharma

Chief Financial Officer

Mr. Pradeep Kumar Agrawal

Company Secretary

Ms. Brijbala Batwal

Registered Office

Gateway Building, Apollo Bunder,
Mumbai - 400 001.
CIN: L65921MH1991PLC059642
Website: www.mahindrafinance.com
E-mail: company.secretary@mahindrafinance.com

Corporate Office

Mahindra Towers, 'A' Wing, 3rd Floor,
Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk,
Worli, Mumbai - 400 018.
Tel.: +91 22 6652 6000

COMMITTEES CONSTITUTED BY THE BOARD, LED BY INDEPENDENT DIRECTORS

Audit Committee

Mr. Diwakar Gupta (C)
Mr. Milind Sarwate
Mr. Vijay Kumar Sharma
Mr. Amarjyoti Barua
Ms. Padmaja Chunduru

Nomination and Remuneration Committee

Mr. Diwakar Gupta (C)
Dr. Anish Shah
Mr. Milind Sarwate
Mr. Vijay Kumar Sharma

Risk Management Committee

Mr. Milind Sarwate (C)
Mr. Raul Rebello
Mr. Diwakar Gupta
Mr. Amarjyoti Barua

IT Strategy Committee

Mr. Milind Sarwate (C)
Mr. Raul Rebello
Dr. Rebecca Nugent
Mr. Amarjyoti Barua
Mr. Parag Rao

Stakeholders Relationship Committee

Mr. Vijay Kumar Sharma (C)
Mr. Raul Rebello
Mr. Parag Rao

Corporate Social Responsibility Committee

Ms. Padmaja Chunduru (C)
Mr. Raul Rebello
Mr. Diwakar Gupta
Mr. Vijay Kumar Sharma

Special Committee of the Board for Monitoring and Follow-up of Fraud Cases

Mr. Diwakar Gupta (C)
Mr. Raul Rebello
Mr. Milind Sarwate
Ms. Padmaja Chunduru

Digital & AI Committee

Dr. Rebecca Nugent (C)
Mr. Raul Rebello
Mr. Amarjyoti Barua
Mr. Milind Sarwate
Mr. Parag Rao
Ms. Deepa Ranjeet
Mr. Mohit Kapoor
Mr. Bhuwan Lodha

Committee for Strategic Investments

Mr. Milind Sarwate (C)
Mr. Raul Rebello
Dr. Anish Shah
Mr. Parag Rao

COMMITTEE CONSTITUTED BY BOARD

Asset Liability Committee

Mr. Raul Rebello (C)
Mr. Milind Sarwate
Mr. Diwakar Gupta
Mr. Amarjyoti Barua
Ms. Padmaja Chunduru
Mr. Pradeep Kumar Agrawal

Review Committee for classification of wilful defaulters

Mr. Raul Rebello (C)
Mr. Amarjyoti Barua
Mr. Krishna Kumar S. Nair

Committee on Lending to Related Parties

Mr. Raul Rebello
Mr. Parag Rao

Joint Statutory Auditors

M/s M P Chitale & Co.,
Chartered Accountants and
M/s M M Nissim & Co. LLP,
Chartered Accountants

Secretarial Auditor

M/s Makarand M Joshi &
Co., Company Secretaries

Debenture Trustee

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29,
Senapati Bapat Marg, Dadar (West),
Mumbai - 400 028.
Tel.: +91 22 6230 0437;
Fax: +91 22 6230 0700;
Website: www.axistrustee.in
E-mail: debenturetrustee@axistrustee.in

Registrar and Transfer Agents

KFin Technologies Limited
Plot No. 31 & 32, Selenium Building,
Tower B,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad, Rangareddi 500 032,
Telangana, India
Toll Free No.: 1800-309-4001;
Website: www.kfintech.com;
E-mail: einward.ris@kfintech.com

mahindra FINANCE

Stock Exchange Codes

NSE: M&MFN

BSE: 532720

Bloomberg: MMFS:IN

Mahindra & Mahindra Financial Services Limited

Mahindra Towers, 'A' Wing, 3rd Floor, Dr. G.M. Bhosale Marg,

P. K. Kurne Chowk, Worli, Mumbai - 400 018

CIN: L65921MH1991PLC059642