

23rd September 2022

To,
BSE Limited, (Security 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 Sirs,

Sub : Information Update

Please find enclosed, Information update which is self-explanatory, being sent to the analysts/
investors.

The above is also being hosted on the Company's website at <https://www.mahindrafinance.com>

Kindly take the same on record.

Thanking you,

For Mahindra & Mahindra Financial Services Limited

Brijbala Batwal
Company Secretary & Compliance Officer

Encl: a/a

Mahindra & Mahindra Financial Services Limited
Information Update: September 23, 2022

This Information Update refers to a Press Release from the Reserve Bank of India (RBI) issued on September 22, 2022. The RBI has directed the Company to immediately cease carrying out any recovery or repossession activity through outsourcing arrangements, till further orders. However, the Company may continue to carry out recovery or repossession activities, through its own employees.

In the normal course of its business, the Company repossesses about 4000 to 5000 vehicles per month, using the third-party agencies and its own employees. The Company expects this number to go down temporarily by about 3000 to 4000 per month, as the Company implements the RBI order with immediate effect.

The Company has not outsourced any collection activities in its vehicle finance business to any third-party agencies and therefore, the Company does not expect any impact on the collections in this business.

As on 30th June 2022, the count of contracts under Stage 3 was 1.35 Lac and the Company carried a sufficient provision of 58% on these assets (inclusive of 100% provision on contracts with age of 18+ months). The vehicles that are repossessed are mostly classified under Stage 3 and therefore, this temporary halt to repossession activity using the third-party agencies is not expected to have any material impact either on the financials or on Net Stage 3.