

1st August 2023

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 - Kuria Complex, Bandra (East),
Mumbai - 400 051

Dear Sirs,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Pursuant to the provisions of Regulation 30(4)(i)(d) of SEBI Listing Regulations, please take note of the following ratings:

Crisil Ratings (Crisil) – Rating Action

| | |
|---|--------------------------------|
| Total Bank Loan Facilities Rated | Rs.13317 Crore |
| Long Term Rating | CRISIL AAA/Stable (Reaffirmed) |
| Short Term Rating | CRISIL A1+ (Reaffirmed) |
| Rs.10000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Assigned) |
| Rs.5000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.1000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.8000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.10000 Crore Fixed Deposits | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Debt Aggregating Rs.1000 Crore | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Debt Aggregating Rs.113.5 Crore | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Debt Aggregating Rs.127.8 Crore | CRISIL AAA/Stable (Withdrawn) |
| Rs.10000 Crore Commercial Paper (Enhanced from Rs.8500 Crore) | CRISIL A1+ (Reaffirmed) |

India Ratings and Research (Ind-Ra) – Rating Action

| Instrument Type | Date of Issuance | Coupon Rate | Maturity Date | Size of Issue (million) | Rating/Outlook | Rating Action |
|-----------------------------------|------------------|-------------|---------------|--|------------------------|---------------|
| Long-Term Issuer Rating | - | - | - | - | IND AAA/Stable | Affirmed |
| Bank loans | - | - | - | INR549,997 (increased from INR499,997) | IND AAA/Stable/IND A1+ | Affirmed |
| Non-convertible debentures (NCDs) | - | - | - | INR290,000 | IND AAA/Stable | Affirmed |
| Retail NCD | - | - | - | INR100,000 | IND AAA/Stable | Affirmed |
| Subordinated debt | - | - | - | INR14,500 | IND AAA/Stable | Affirmed |
| Retail sub debt | - | - | - | INR30,000 | IND AAA/Stable | Affirmed |

| | | | | | | |
|---|---|---|------------|------------|-----------------------|----------|
| Principal protected market linked debentures (PP-MLD) | - | - | - | INR15,000 | IND PP-MLD AAA/Stable | Affirmed |
| Commercial papers (CPs) | - | - | 7-365 days | INR85,000 | IND A1+ | Affirmed |
| Fixed deposits | - | - | - | INR120,000 | IND AAA/Stable | Affirmed |
| NCDs | - | - | - | INR100,000 | IND AAA/stable | Assigned |
| CPs | - | - | 7-365 days | INR15000 | IND A1+ | Assigned |

Brickwork Ratings (Brickwork) – Rating Action

| Facilities | Amount Rated (Rs. Cr) | | Tenure | Previous Rating (2 June 2022) | Present Rating |
|--|-----------------------|--------------|--|--------------------------------|------------------------------------|
| | Previous | Present | | | |
| Non-Convertible Debentures (Subordinated Debt) | 2,200 | 2,200 | Long Term | BWR AAA/Stable (Reaffirmed) | BWR AAA/Stable (Reaffirmed) |
| Total | 2,200 | 2,200 | Rupees Two Thousand Two Hundred Crores Only | | |

The extract of press releases of Crisil, Ind-Ra and Brickwork dated 28th June 2023, 13th July 2023 and 14th June 2023, respectively are given as Annexure ‘A’, which can also be accessed on the website of these rating agencies.

Additionally, Crisil vide its letters dated 31st July 2023 has provided the ratings outstanding for non-convertible debentures & commercial paper of the Company and Ind-Ra vide its rating letters dated 1st August 2023 has re-affirmed the ratings for NCD programme and commercial paper, given as Annexure ‘B’ which can also be accessed on the website of these rating agencies.

This information is also being uploaded on the website of the Company at URL:

<https://www.mahindrafinance.com/investors/disclosures-reg-46-62/investor-information#credit-rating>

Kindly take the same on record.

Thanking you,

For Mahindra & Mahindra Financial Services Limited

Brijbala Batwal
Company Secretary

Encl: As Above



Rating Rationale

June 28, 2023 | Mumbai

Mahindra and Mahindra Financial Services Limited

'CRISIL AAA/Stable' assigned to Non Convertible Debentures; Rated amount enhanced for Commercial Paper

Rating Action

| | |
|----------------------------------|--------------------------------|
| Total Bank Loan Facilities Rated | Rs.13317 Crore |
| Long Term Rating | CRISIL AAA/Stable (Reaffirmed) |
| Short Term Rating | CRISIL A1+ (Reaffirmed) |

| | |
|---|--------------------------------|
| Rs.10000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Assigned) |
| Rs.5000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.1000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.8000 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.10000 Crore Fixed Deposits | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Debt Aggregating Rs.1000 Crore | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Debt Aggregating Rs.113.5 Crore | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Debt Aggregating Rs.127.8 Crore | CRISIL AAA/Stable (Withdrawn) |
| Rs.10000 Crore Commercial Paper (Enhanced from Rs.8500 Crore) | CRISIL A1+ (Reaffirmed) |

The common independent director on CRISIL Ratings Limited and Mahindra and Mahindra Financial Services Limited boards did not participate in the rating process or in the meeting of the rating committee, when the rating for securities of Mahindra and Mahindra Financial Services Limited was discussed. This rating was also not discussed in the meeting of CRISIL Ratings' Board of Directors.

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL AAA/Stable' rating to the Rs 10,000 crore Non-Convertible Debentures of Mahindra And Mahindra Financial Services Limited (Mahindra Finance) and reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings on the bank facilities and debt instruments of the company.

CRISIL Ratings has also **withdrawn** its rating on the Rs.127.8 crore subordinated debt programme, (see the 'Annexure - Details of Rating Withdrawn' for details) on receipt of independent confirmation that these instruments are fully redeemed and at the request of the company, in line with its withdrawal policy.

The ratings continue to reflect the company's majority ownership by, and strategic importance to, the parent, Mahindra & Mahindra Ltd (M&M; rated 'CRISIL AAA/Stable/CRISIL A1+'). CRISIL Ratings expects the financial services business housed in Mahindra Finance to remain strategically important to M&M. Mahindra Finance is the largest financier of M&M's automotive and tractor business and has strong relationships with its dealer network. With extensive experience, expertise and penetration in rural and semi urban markets, Mahindra Finance is a key part of M&M's growth strategy in these markets.

CRISIL Ratings expects M&M to maintain majority shareholding in Mahindra Finance and exercise management oversight for the company to conduct its business in line with governance and compliance standards that all Mahindra group entities follow, including Mahindra Finance, honoring its debt obligation in a timely manner.

The rating also reflects the gradual improvement in Mahindra Finance's asset quality and profitability, though the former continues to be modest. The rating also factors in Mahindra Finance's strong position in the utility vehicle (UV) and tractor financing business in rural and semi-urban areas, adequate capitalisation, and stable resource profile.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of Mahindra Finance and its key subsidiaries, Mahindra Rural Housing Finance Ltd (MRHFL) and Mahindra Insurance Brokers Ltd (MIBL). While MRHFL is in the rural housing finance segment, a fund-based business, MIBL is in insurance broking, a fee-based business. CRISIL Ratings has

factored in the strong support the company is likely to receive from its parent, M&M, on an ongoing basis and in times of distress.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

Majority ownership by, and strategic importance to, M&M

The ratings factor in the strategic, financial and operational linkages between Mahindra Finance and M&M. The parent participated in the rights issue in August 2020 following which its stake went up to 52.2% from 51.2%. CRISIL Ratings expects M&M to maintain majority shareholding in Mahindra Finance and exercise management oversight for the company to conduct its business in line with governance and compliance standards that all Mahindra group entities follow, including Mahindra Finance, honouring its debt obligation in a timely manner.

Mahindra Finance continues to finance around 30% each of M&M's UV and light commercial vehicle (LCV) sales. Market share in tractors was impacted during the Covid-19 pandemic and has now increased. However, financing of M&M vehicles as a proportion of Mahindra Finance's yearly total loan disbursements has reduced over the past few years. As part of its growth strategy, Mahindra Finance has been increasingly financing vehicles of other manufacturers. The captive finance business accounted for 44% of the overall loan book in fiscal 2023. Mahindra Finance has done two equity capital issuances in the past five years; M&M participated in both and had infused Rs 2,696 crore into Mahindra Finance – demonstrating the strong financial and strategic linkages. M&M is expected to support Mahindra Finance on an ongoing basis and in case of distress, given the majority ownership, shared brand name and the strategic importance of the financial services business.

Strong and established market position in rural and semi-urban areas, particularly in the UV and tractor financing businesses

Mahindra Finance's market position in the UV and tractor financing segments remains strong, owing to the operational linkages with M&M, which enables the company to access the parent's widespread dealer network. The company finances consumer purchases of auto/UVs (33% of gross business assets as on March 31, 2023), commercial vehicles (CV)/commercial equipments (CEs) (11%), tractors (14%), cars (20%) and other assets. The company has plans to diversify and increase its non-vehicle portfolio over the medium term. It has recently started offering products such as small and medium enterprise (SME) loans, loan against property (LAP), leasing and digital lending. The scalability of this portfolio remains a monitorable.

Disbursements remained subdued in fiscal 2021 and the first half of fiscal 2022 as the company adopted a cautious approach owing to challenging business environment. Consequently, overall gross business assets of Mahindra Finance remained flat at Rs 64,961 crore as on March 31, 2022. However, disbursements picked up in fiscal 2023 and stood at Rs 49,541 crore (80% year-on-year growth); gross loan assets witnessed 27% growth in fiscal 2023 and stood at Rs 82,770 crore as on March 31, 2023.

The company has considerably strengthened its distribution network: it had 1,386 branches across 27 states and 7 Union Territories as on March 31, 2023, with a large number of branches in semi-urban and rural areas, where it enjoys strong market share. To leverage its existing presence in these geographies, Mahindra Finance entered rural housing finance through MRHFL.

Adequate capitalisation and stable resource profile

Capitalisation continues to be adequate, as reflected in tier I and overall capital adequacy ratios of 19.9% and 22.5% respectively, as on March 31, 2023 (24.3% and 27.8%, respectively, as on March 31, 2022). Networth was sizeable at Rs 17,089 crore and gearing at 4.4 times as on March 31, 2023 (Rs 15,628 crore and 3.6 times, respectively, as on March 31, 2022). The company's capital profile is also supported by its demonstrated ability to raise equity capital. In August 2020, the company raised Rs 3,089 crore of equity capital through rights issue, which resulted in improvement in gearing. Networth coverage for net non-performing assets (NPAs) stood at 11.3 times as on March 31, 2023.

Stable and diversified resource profile and substantial unutilised bank limits provide significant financial flexibility to raise resources at competitive costs to meet increasing funding requirement. As on March 31, 2023, the company had a fairly diverse borrowing mix consisting of 31.8% of NCDs, 8.9% of securitisation, 7.4% of fixed deposits and 40.3% of bank borrowings. Cost of borrowing was healthy at 6.6% in fiscal 2023 (6.5% in fiscal 2022) and is expected to remain better than industry average over the medium term.

Weakness:

Modest asset quality

Mahindra Finance's asset quality is modest despite showing improvement in recent times. Gross stage 3 assets stood at 4.49% as on March 31, 2023, as against 7.66% as on March 31, 2022, and 8.96% as on March 31, 2021. The improvement in asset quality was driven by reduction in gross stage 3 assets across all asset classes. Furthermore, the outstanding restructured portfolio stood at Rs 1,635 crore (2% of the overall portfolio) as on March 31, 2023.

The company is increasingly focusing on collection and recovery efforts and CRISIL Ratings notes that Mahindra Finance has shown ability to ultimately recover from delinquent accounts even post loan maturity date. Overall ultimate credit loss has been in the range of 1% to 3% over the past 10 years. The company's track record in the vehicle financing business, understanding of the target customer segment and robust underwriting practices may support the asset quality metrics. The company's ability to manage collections and asset quality going forward will be a key monitorable. The impact of the revised norms of the Reserve Bank of India (RBI) on asset classification as part of the circular released on November 12, 2021 stood at Rs. 1,184 crores (1.4% of the gross business assets) as on March 31, 2023.

Weakening of asset quality and increase in provision coverage ratio impacted profitability in fiscal 2021 (0.4% return on managed assets [RoMA]) and in the first quarter of fiscal 2022 (-8.2% RoMA annualised). Thereafter, the company has witnessed quarter-on-quarter improvement in profitability as reflected in RoMA of 1.3% in fiscal 2022 (reported profit of Rs 989

crore). The company further reported PAT of Rs 1,984 crore (RoMA of 2.3%) in fiscal 2023. The increase in profitability is partly supported by lower provisioning cost. Ability to contain asset quality and credit cost will remain a key rating sensitivity factor.

Liquidity: Superior

Liquidity was comfortable with positive cumulative mismatch in each bucket up to one year as on March 31, 2023. Cash and equivalent and other liquid assets stood at around Rs 10,400 crore as on March 31, 2023. The company has sufficient liquid surplus to repay debt for the next three months assuming no collection. Moreover, being a part of the M&M group, additional liquidity support will be available to the entity as and when required

Environment, social and governance (ESG) profile

CRISIL Ratings believes the ESG profile of Mahindra Finance supports its already strong credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator. The sector has reasonable social impact because of its substantial employee and customer base. While the sector does not have a direct adverse environmental impact, lending decisions may have a bearing on environment and other sustainability factors.

Mahindra Finance has demonstrated focus on strengthening various aspects of its ESG profile.

Key ESG highlights:

- In order to manage and reduce its environmental footprint, the company aims to increase its electric vehicle financing portfolio on continuous basis.
- Mahindra Finance has adopted watershed management system and rainwater harvesting project with communities on pilot basis. It is committed to sustainable e-waste management system as well, and 100% of the e-waste is sent for recycling through registered recyclers.
- The company has impacted 51,763 lives through corporate social responsibility (CSR) initiatives. Also, it has purchased maximum supplies from local vendors for all its subsidiaries.
- Majority of the Board members are independent directors and there is a segregation in chairperson and executive positions. The company has a dedicated investor grievance redressal mechanism and the disclosures put out by it are extensive.

There is growing importance of ESG among investors and lenders. The company's commitment to ESG will play a key role in enhancing stakeholder confidence, given high share of foreign investors as well as access to both domestic and foreign capital markets.

Outlook: Stable

CRISIL Ratings believes Mahindra Finance will benefit from the support it is likely to receive from M&M, given the majority shareholding of, and Mahindra Finance's strategic importance to, its parent. CRISIL Ratings also believes the company will maintain its strong market position and adequate capitalisation over the medium term.

Rating Sensitivity factors

Downward Factors:

- * Significant reduction in support to Mahindra Finance or downward rating action on M&M may result in a corresponding rating action on Mahindra Finance
- * Deterioration in the asset quality and profitability with RoA < 0% on a sustained basis
- * Material reduction in shareholding by M&M

About the Company

Mahindra Finance, a non-banking financial company (NBFC), was incorporated in 1991. M&M, the majority shareholder, held 52.2% in Mahindra Finance as on March 31, 2023. Mahindra Finance ranks among the larger NBFCs in India with gross loan assets of Rs 82,770 crore as on March 31, 2023 (Rs 64,961 crore as on March 31, 2022). The company finances consumer purchases of UVs, LCVs, tractors, cars and other assets. It has recently started offering products such as SME loans, LAP, leasing and digital lending. To leverage its extensive branch network and rural clientele, the company has entered the rural housing finance business through its subsidiary, MRHFL. MIBL is the insurance broking arm of Mahindra Finance, providing insurance broking services both in the life and non-life segments.

On consolidated basis, total income and net profit were Rs 12,832 crore and Rs 2,071 crore, respectively, in fiscal 2023, against Rs 11,401 crore and Rs 1,150 crore, respectively, in fiscal 2022.

On standalone basis, the company reported profit of Rs 1,984 crore on total income (net of interest expense) of Rs 6,479 crore in fiscal 2023 (Rs 989 crore and 5,799 crore, respectively, in fiscal 2021)

Key Financial Indicators (on a standalone basis)

| As on / year ended | | 31-Mar-23 | 31-Mar-22 |
|--|-----------------|--------------|--------------|
| Total assets | Rs crore | 96217 | 75289 |
| Total income | Rs crore | 11056 | 9719 |
| Profit after tax (PAT) | Rs crore | 1984 | 989 |
| Gross Stage 3* | % | 4.49 | 7.66 |
| Return on assets (annualised) ^ | % | 2.3 | 1.3 |

*on business assets

^on average total assets

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

| ISIN | Name of instrument | Date of allotment | Coupon rate (%) | Maturity date | Issue size (Rs crore) | Complexity levels | Rating assigned with outlook |
|---------------|---------------------------------------|-------------------|-----------------|---------------|-----------------------|-------------------|------------------------------|
| INE774D07US3 | Non-convertible debentures | 23-Mar-23 | 8.3 | 23-Mar-26 | 285 | Simple | CRISIL AAA/Stable |
| INE774D07UW5 | Non-convertible debentures | 29-Mar-23 | 8.25 | 28-Mar-25 | 1125 | Simple | CRISIL AAA/Stable |
| INE774D07UV7* | Non-convertible debentures | 29-Mar-23 | 8.25 | 29-Mar-28 | 1125 | Simple | CRISIL AAA/Stable |
| INE774D07UT1 | Non-convertible debentures | 29-Mar-23 | 8.25 | 26-Mar-26 | 1125 | Simple | CRISIL AAA/Stable |
| INE774D07UU9* | Non-convertible debentures | 29-Mar-23 | 8.25 | 28-Mar-28 | 1125 | Simple | CRISIL AAA/Stable |
| INE774D07UX3 | Non-convertible debentures | 21-Apr-23 | 8.1 | 21-May-26 | 682 | Simple | CRISIL AAA/Stable |
| INE774D07UY1* | Non-convertible debentures | 27-Apr-23 | 8 | 25-Jun-27 | 1050 | Simple | CRISIL AAA/Stable |
| INE774D07UZ8* | Non-convertible debentures | 27-Apr-23 | 8 | 27-Apr-27 | 1050 | Simple | CRISIL AAA/Stable |
| INE774D07VA9 | Non-convertible debentures | 27-Apr-23 | 8 | 26-Jun-25 | 1050 | Simple | CRISIL AAA/Stable |
| INE774D07VB7 | Non-convertible debentures | 27-Apr-23 | 8 | 25-Apr-25 | 1050 | Simple | CRISIL AAA/Stable |
| NA | Non-convertible debentures^ | NA | NA | NA | 14333 | Simple | CRISIL AAA/Stable |
| NA | Subordinated Debt^ | NA | NA | NA | 1113.5 | Complex | CRISIL AAA/Stable |
| NA | Commercial Paper | NA | NA | 7-365 days | 10000 | Simple | CRISIL A1+ |
| NA | Cash Credit | NA | NA | NA | 1727 | NA | CRISIL AAA/Stable |
| NA | Proposed Long Term Bank Loan Facility | NA | NA | NA | 10000 | NA | CRISIL AAA/Stable |
| NA | Fixed Deposit Programme | NA | NA | NA | 10000 | Simple | CRISIL AAA/Stable |
| NA | Short Term Bank Facility | NA | NA | NA | 1590 | NA | CRISIL A1+ |

^not yet issued/availed

*Partly paid up NCDs

Annexure - Details of Rating Withdrawn

| ISIN | Name of instrument | Date of allotment | Coupon rate (%) | Maturity date | Issue size (Rs.Crore) | Complexity levels | Rating assigned with outlook |
|--------------|--------------------|-------------------|-----------------|---------------|-----------------------|-------------------|------------------------------|
| INE774D08LD2 | Subordinated Debt | 23-Apr-13 | 9.7 | 24-Apr-23 | 80 | Complex | Withdrawn |
| INE774D08LF7 | Subordinated Debt | 24-May-13 | 9.5 | 24-May-23 | 47.8 | Complex | Withdrawn |

Annexure - List of Entities Consolidated

| Names of Entities Consolidated | Extent of Consolidation | Rationale for Consolidation |
|--|-------------------------|-----------------------------|
| Mahindra Insurance Brokers Limited | Full | Subsidiary |
| Mahindra Rural Housing Finance Limited | Full | Subsidiary |
| Mahindra Finance USA LLC | Proportionate | Joint Venture |

Annexure - Rating History for last 3 Years

| Instrument | Current | | | 2023 (History) | | 2022 | | 2021 | | 2020 | | Start of 2020 |
|-----------------------|---------|--------------------|--------------------------------|----------------|--------------------------------|----------|--------------------------------|----------|--------------------------------|----------|--------------------------------|--------------------------------|
| | Type | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
| Fund Based Facilities | LT/ST | 13317.0 | CRISIL A1+ / CRISIL AAA/Stable | 13-04-23 | CRISIL A1+ / CRISIL AAA/Stable | 15-07-22 | CRISIL AA+/Stable / CRISIL A1+ | 31-08-21 | CRISIL AA+/Stable / CRISIL A1+ | 31-08-20 | CRISIL AA+/Stable / CRISIL A1+ | CRISIL AA+/Stable / CRISIL A1+ |
| | | | -- | 06-03-23 | CRISIL A1+ / CRISIL AAA/Stable | 17-06-22 | CRISIL AA+/Stable / CRISIL A1+ | -- | -- | -- | -- | |
| | | | -- | 13-01-23 | CRISIL A1+ / CRISIL AAA/Stable | -- | -- | -- | -- | -- | -- | |
| | | | -- | 06-01-23 | CRISIL A1+ / CRISIL AAA/Stable | -- | -- | -- | -- | -- | -- | |
| Commercial Paper | ST | 10000.0 | CRISIL A1+ | 13-04-23 | CRISIL A1+ | 15-07-22 | CRISIL A1+ | 31-08-21 | CRISIL A1+ | 31-08-20 | CRISIL A1+ | CRISIL A1+ |

| | | | | | | | | | | | | |
|-----------------------------------|----|---------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|-------------------|
| | | | -- | 06-03-23 | CRISIL A1+ | 17-06-22 | CRISIL A1+ | -- | -- | -- | -- | -- |
| | | | -- | 13-01-23 | CRISIL A1+ | | -- | -- | -- | -- | -- | -- |
| | | | -- | 06-01-23 | CRISIL A1+ | | -- | -- | -- | -- | -- | -- |
| Fixed Deposits | LT | 10000.0 | CRISIL AAA/Stable | 13-04-23 | CRISIL AAA/Stable | 17-06-22 | Withdrawn | 31-08-21 | F AAA/Stable | 31-08-20 | F AAA/Stable | F AAA/Stable |
| | | | -- | 06-03-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |
| | | | -- | 13-01-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |
| Non Convertible Debentures | LT | 24000.0 | CRISIL AAA/Stable | 13-04-23 | CRISIL AAA/Stable | 17-06-22 | Withdrawn | 31-08-21 | CRISIL AA+/Stable | 31-08-20 | CRISIL AA+/Stable | CRISIL AA+/Stable |
| | | | -- | 06-03-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |
| | | | -- | 13-01-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |
| | | | -- | 06-01-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |
| Subordinated Debt | LT | 1113.5 | CRISIL AAA/Stable | 13-04-23 | CRISIL AAA/Stable | 15-07-22 | CRISIL AA+/Stable | 31-08-21 | CRISIL AA+/Stable | 31-08-20 | CRISIL AA+/Stable | CRISIL AA+/Stable |
| | | | -- | 06-03-23 | CRISIL AAA/Stable | 17-06-22 | CRISIL AA+/Stable | -- | -- | -- | -- | -- |
| | | | -- | 13-01-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |
| | | | -- | 06-01-23 | CRISIL AAA/Stable | | -- | -- | -- | -- | -- | -- |

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

| Facility | Amount (Rs.Crore) | Name of Lender | Rating |
|--|-------------------|------------------------------------|--------------------------|
| Cash Credit | 100 | Corporation Bank | CRISIL AAA/Stable |
| Cash Credit | 100 | Indian Bank | CRISIL AAA/Stable |
| Cash Credit | 10 | IndusInd Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 20 | Kotak Mahindra Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 125 | Punjab National Bank | CRISIL AAA/Stable |
| Cash Credit | 50 | Standard Chartered Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 50 | Vijaya Bank | CRISIL AAA/Stable |
| Cash Credit | 75 | The Federal Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 100 | Axis Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 65 | Bank of Baroda | CRISIL AAA/Stable |
| Cash Credit | 100 | Bank of Maharashtra | CRISIL AAA/Stable |
| Cash Credit | 100 | Canara Bank | CRISIL AAA/Stable |
| Cash Credit | 500 | State Bank of India | CRISIL AAA/Stable |
| Cash Credit | 10 | YES Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 75 | DBS Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 52 | Dena Bank | CRISIL AAA/Stable |
| Cash Credit | 100 | ICICI Bank Limited | CRISIL AAA/Stable |
| Cash Credit | 75 | Central Bank Of India | CRISIL AAA/Stable |
| Cash Credit | 20 | Citibank N. A. | CRISIL AAA/Stable |
| Proposed Long Term Bank Loan Facility | 10000 | Not Applicable | CRISIL AAA/Stable |
| Short Term Bank Facility | 90 | Axis Bank Limited | CRISIL A1+ |
| Short Term Bank Facility | 250 | MUFG Bank Limited | CRISIL A1+ |
| Short Term Bank Facility | 300 | Bank of America N.A. | CRISIL A1+ |
| Short Term Bank Facility | 100 | Societe Generale Bank | CRISIL A1+ |
| Short Term Bank Facility | 100 | IndusInd Bank Limited | CRISIL A1+ |
| Short Term Bank Facility | 200 | Kotak Mahindra Bank Limited | CRISIL A1+ |

| | | | |
|--------------------------|-----|---|------------|
| Short Term Bank Facility | 450 | The Hongkong and Shanghai Banking Corporation Limited | CRISIL A1+ |
| Short Term Bank Facility | 100 | YES Bank Limited | CRISIL A1+ |

Criteria Details

| |
|---|
| Links to related criteria |
| CRISILs Bank Loan Ratings - process, scale and default recognition |
| Rating Criteria for Finance Companies |
| CRISILs Criteria for rating short term debt |
| Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support |
| CRISILs Criteria for Consolidation |

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India Ratings Assigns Mahindra & Mahindra Financial Services' Bank Loans and NCDs 'IND AAA'/Stable; Rates CPs IND A1+; Affirms Other Ratings

Jul 13, 2023 | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has taken the following rating actions on Mahindra & Mahindra Financial Services Limited (MMFSL):

| Instrument Type | Date of Issuance | Coupon Rate | Maturity Date | Size of Issue (million) | Rating/Outlook | Rating Action |
|--|------------------|-------------|---------------|--|------------------------|---------------|
| Long-Term Issuer Rating | - | - | - | - | IND AAA/Stable | Affirmed |
| Bank loans | - | - | - | INR549,997 (increased from INR499,997) | IND AAA/Stable/IND A1+ | Affirmed |
| Non-convertible debentures (NCDs)* | - | - | - | INR290,000 | IND AAA/Stable | Affirmed |
| Retail NCD*@ | - | - | - | INR100,000 | IND AAA/Stable | Affirmed |
| Subordinated debt* | - | - | - | INR14,500 | IND AAA/Stable | Affirmed |
| Retail sub debt | - | - | - | INR30,000 | IND AAA/Stable | Affirmed |
| Principal protected market linked debentures* (PP-MLD) | - | - | - | INR15,000 | IND PP-MLD AAA/Stable | Affirmed |
| Commercial papers (CPs) | - | - | 7-365 days | INR85,000 | IND A1+ | Affirmed |
| Fixed deposits | - | - | - | INR120,000 | IND AAA/Stable | Affirmed |
| NCDs* | - | - | - | INR100,000 | IND AAA/stable | Assigned |
| CPs | - | - | 7-365 days | INR15000 | IND A1+ | Assigned |

*Details in Annexure

@the rated limit is interchangeable with retail subordinated debt

The rating of MLDs 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. This market risk stems from the fact that the coupon payment on these instruments will be based on the performance of the reference index (to be detailed in the information memorandum of the issue).

Analytical Approach: The ratings continue to factor in Ind-Ra's expectation of strong, timely financial support from MMFSL's parent, Mahindra & Mahindra Limited (M&M; 'IND AAA'/Stable; holds a 52.16% stake in MMFSL), if required.

Key Rating Drivers

Core to Parent's Business: The ratings continue to reflect M&M's credit strength. Ind-Ra considers MMFSL to be core to M&M's operations, as it supports a substantial proportion of the parent's business. MMFSL is the largest financier for M&M's vehicles; in terms of units, the company financed about 40% of M&M's utility vehicle sales and 31% of the tractor sales at FYE23. The proportion of non-M&M assets in MMFSL's assets under management (AUM) stood at 56% at end-March 2023 (FYE22: 54%). A substantial portion of MMFSL's disbursements in the tractor, utility vehicle and light commercial vehicle segments is towards M&M's products; however, in products such as heavy commercial vehicles, cars and construction equipment, it is towards non-M&M products. MMFSL has a high rural penetration covering over 0.38 million villages of the total 0.65 million villages in the country. It has expertise in pricing and underwriting loans to a vulnerable set of rural and semi-urban customers who may not be targeted by other financiers. Therefore, in Ind-Ra's opinion, the company is crucial to M&M's sales of rural and semi-urban products (tractors, utility vehicles, pick-up vans and others).

MMFSL is also an important entity for launching M&M's new products in rural geographies and securing a foothold in the target market. MMFSL shares its parent's brand name and has strong operational linkages with it. M&M's managing director and chief executive officer is the non-executive chairman of MMFSL and president, group strategy of the Mahindra Group, is also on the board of MMFSL. Furthermore, MMFSL's business plans are formulated after considering M&M's strategies and are in alignment with the latter's plans. Ind-Ra has factored in the possible support to MMFSL while arriving at M&M's ratings. Ind-Ra believes M&M maintains sufficient liquidity to cover the debt obligations of both M&M and MMFSL over the near term.

Diversified Funding: The company has a diversified funding profile with access to banks and the capital markets. It has also raised long-term funds from pension and insurance funds. Moreover, MMFSL was able to raise equity and debt funds when the markets were a bit volatile due to the pandemic-led uncertainty. It raised around INR522 billion during FY23 in the form of bank loans, debentures, fixed deposits, CPs and securitisation. Given the increase in the withholding tax rate for external commercial borrowing investors, MMFSL may tap other sources of avenues to raise funds. MMFSL also has a deposit-taking licence and has relied on this avenue for raising granular funds. However, the landed cost of deposits is almost similar to that of bank funding rates. Given the rise in interest rates in banks and capital markets, Ind-Ra opines that the industry would evenly balance the funding from these sources. Also, it could raise more of short-term debt (CPs) to minimise the impact on the funding costs, while keeping the asset-liability maturity (ALM) matched. The volume of the securitisation transactions has also picked up and can serve as an additional source of funding.

Liquidity Indicator - Adequate: The average duration of MMFSL's borrowings is three-to-four years, which matches well with its loan portfolio, resulting in a matched ALM profile. Ind-Ra conducted a stress test on its ALM profile, assuming a delay in advances inflows with timely payments of its liabilities. Even under a stress case scenario, the ALM profile remained comfortable. The company maintains a reasonable amount of unutilised bank lines as an additional liquidity cushion. On-balance sheet liquidity, in the form of unencumbered cash and liquid investments, is sufficient to meet around three months of gross debt obligations without relying on collections. MMFSL's board-approved treasury chest policy requires it to maintain at least three months of liquidity buffer (including a minor proportion of some committed unutilised bank lines) at any time to meet debt repayment obligations and operational expenditure. On a monthly basis, its collections (including overdues) remained above 95% in 4QFY23. It has the advantage of raising funds from the group companies through inter-corporate deposits on a need basis. MMFSL also has a board-approved line of credit from M&M. The company's ability to mobilise funds from different classes of investors lends diversity to its resource profile.

Moderation in Credit Cost with Improvement in Operating Environment: The pandemic-led lockdowns during 1HFY21 and the health crisis caused by the second COVID-19 wave during 1QFY22 resulted in a spike in delinquencies, and consequently, the credit costs for MMFSL, with the second wave having a disproportionate impact in rural areas. However, the environment has normalised, leading to an improvement in its collection efficiency. The headline stage 3 assets declined to 4.5% at FYE23 (FY22: 7.7%), supported by the write-off of INR22 billion (INR25 billion) and better collection efficiency. Factoring in the Reserve Bank of India's circular on daily recognition of non-performing assets (NPAs), the gross NPA stood at 5.9% as of March 2023. MMFSL has strengthened its provisioning policy, wherein any contract that is overdue by more than 36 months has been written off. MMFSL provides 100% on contracts that are overdue by more than 18 months. The provisioning on the entire loan book was high at 4% as of March 2023, with a comfortable 59% provisioning on stage 3 assets. Its standard restructured book outstanding accounted for 1.1% of the loan book in 4QFY23, the performance of which would be crucial. The capital buffer (Tier I: 19.9% at 4QFYE23) was comfortable enough to absorb any spike in asset-side stress. Good monsoon supported its agriculture-related cash flows while a pick-up in rural economic activities helped its delinquency numbers in FY23. MMFSL is increasing the proportion of affluent customers from the rural geography in its portfolio which results in lower yields; however, the credit cost could be benign for this target customer. In FY24, its credit cost trajectory would also be guided by the performance of monsoon rains and the sustenance of rural economic activities.

Profitability Contingent on Margin Maintenance and Credit Cost Control: MMFSL's profitability improved in FY23, primarily due to a reduction in the credit costs. The margins witnessed a compression of 30bps due to rise in interest rates; however, a likely further uptick in its funding costs in FY24 and a change in the product mix would likely put pressure on its margins. MMFSL did pass on the rise in funding costs to its new disbursements which they did in FY23. Ind-Ra opines that the credit costs could be benign in FY24 and the profitability would be supported to that extent. Its operating expenditure increased in FY23, due to the increase in business volumes and investments in technology. Thus, for FY24, the profitability would be contingent on MMFSL's ability to reduce the impact on margins and its control on credit costs.

Rating Sensitivities

Negative: The following developments could result in negative rating action:

- a decline in the proportion of M&M's revenue from MMFSL due to M&M's rapid expansion in urban and high-end products and/or a surge in the participation from other financiers in M&M's sales, making it less dependent on MMFSL.
- the ratings would also be affected if MMFSL's operational linkages with M&M are diluted significantly.
- a sustained increase in the leverage, resulting in tier I reducing below 15% on a consistent basis
- any weakening of M&M's credit profile or its ability to support MMFSL's increasing debt levels

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on MMFSL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Company Profile

MMFSL is a large non-banking finance company and M&M is a leading Indian automobile manufacturer. Besides financing M&M's vehicles, MMFSL is the holding company of the group's other financial service forays, including rural housing finance.

CONSOLIDATED FINANCIAL SUMMARY

| Particulars | FY23 | FY22 |
|---|-------|------|
| Total assets (INR billion)* | 1,043 | 828 |
| Total equity (INR billion)* | 179 | 160 |
| PAT (INR billion) | 20.7 | 11.5 |
| Return on average assets (%)* | 2.2 | 1.4 |
| Tier 1 capital (%) | 19.9 | 24.3 |
| Source: MMFSL, *as per Ind-Ra's calculations | | |

Non-Cooperation with previous rating agency

Not applicable

Solicitation Disclosures

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Rating History

| Instrument Type | Current Rating/Outlook | | | Historical Rating/Outlook | | | | |
|-------------------|------------------------|------------------------|------------------------|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Rating Type | Rated Limits (million) | Rating | 17 April 2023 | 1 Nov 2022 | 16 June 2022 | 7 December 2021 | 8 December 2020 |
| Issuer rating | Long-term | - | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable |
| NCDs | Long-term | INR490,000 | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable |
| Subordinated debt | Long-term | INR44,500 | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable |
| Bank loans | Long-term/Short-term | INR549,997 | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ | IND AAA/Stable/IND A1+ |
| PP-MLD | Long-term | INR15,000 | IND PP-MLD AAA/Stable | IND PP-MLD AAA/Stable | IND PP-MLD AAAemr/Stable | IND PP-MLD AAAemr/Stable | IND PP-MLD AAAemr/Stable | IND PP-MLD AAAemr/Stable |
| CP | Short-term | INR100,000 | IND A1+ | IND A1+ | IND A1+ | IND A1+ | IND A1+ | IND A1+ |
| Fixed deposits | Long term | INR120,000 | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | IND AAA/Stable | - | - |

Annexure

NCDs

| ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|---------------|-------------------|--|-------------------|-----------------------------|-------------------|
| INE774D07KT2 | 15 December 2014 | 8.95 | 13 December 2024 | 1,750 | IND AAA/Stable |
| INE774D07KW6 | 23 January 2015 | 8.79 | 23 January 2025 | 2,500 | IND AAA/Stable |
| INE774D07LB8 | 10 March 2015 | 8.70 | 10 March 2025 | 550 | IND AAA/Stable |
| INE774D07LE2 | 24 March 2015 | 8.72 | 24 March 2025 | 500 | IND AAA/Stable |
| INE774D07LO1 | 22 April 2015 | 9.00 | 22 April 2025 | 5,000 | IND AAA/Stable |
| INE774D07MK7 | 24 June 2015 | 9.00 | 24 June 2025 | 5,000 | IND AAA/Stable |
| INE774D07MM3 | 29 June 2015 | 8.95 | 27 June 2025 | 150 | IND AAA/Stable |
| INE774D07NN9 | 9 October 2015 | 8.75 | 9 October 2025 | 2,500 | IND AAA/Stable |
| INE774D08MU4 | 19 April 2018 | 8.53 | 19 April 2033 | 10,000 | IND AAA/Stable |
| INE774D07TE5 | 30 May 2019 | 0.00 | 30 May 2023 | 4,000 | WD (Paid in full) |
| INE774D07TG0 | 8 August 2019 | 8.48 | 8 August 2029 | 20,000 | IND AAA/Stable |
| INE774D07TL0 | 5 March 2020 | 7.45 | 11 December 2024 | 4,000 | IND AAA/Stable |
| INE774D07TM8 | 5 March 2020 | 7.75 | 5 March 2030 | 775 | IND AAA/Stable |
| INE774D07TN6 | 29 April 2020 | 7.5 | 28 April 2023 | 4,750 | WD (Paid in full) |
| INE774D07TO4 | 13 May 2020 | 7.63 | 12 May 2023 | 2,000 | WD (Paid in full) |
| INE774D07TS5 | 16 June 2020 | 7.25 | 16 June 2023 | 4,350 | WD (Paid in full) |
| INE774D07TV9 | 31 July 2020 | 5.9 | 31 July 2023 | 2,750 | IND AAA/Stable |
| INE774D07TY3 | 16 October 2020 | 5.72 | 16 October 2023 | 5,000 | IND AAA/Stable |
| INE774D07UA1 | 4 December 2020 | 5.25 | 4 December 2023 | 4,250 | IND AAA/Stable |
| INE774D07UB9 | 4 June 2021 | 5.25 | 2 June 2023 | 1,000 | WD (Paid in full) |
| INE774D07UC7 | 4 June 2021 | Benchmark (third T-bill linked) +1.60% | 4 June 2024 | 5,000 | IND AAA/Stable |
| INE774D07UD5 | 24 June 2021 | 6.35 | 24 December 2024 | 563 | IND AAA/Stable |
| INE774D07UD5 | 24 June 2021 | 6.35 | 24 June 2025 | 563 | IND AAA/Stable |
| INE774D07UD5 | 24 June 2021 | 6.35 | 24 December 2025 | 563 | IND AAA/Stable |
| INE774D07UD5 | 24 June 2021 | 6.35 | 24 June 2026 | 563 | IND AAA/Stable |
| INE774D07UF0 | 23 July 2021 | Benchmark (third T-bill linked) +1.47% | 23 July 2024 | 7,000 | IND AAA/Stable |
| INE774D07UG8 | 17 November 2021 | 7.45 | 17 November 2031 | 3,750 | IND AAA/Stable |
| INE774D07UG8* | 17 December 2021 | 7.45 | 17 November 2031 | 2,755 | IND AAA/Stable |
| INE774D07UH6 | 27 January 2022 | 6.25 | 28 July 2025 | 3,000 | IND AAA/Stable |
| INE774D07UI4 | 15 February 2022 | Benchmark (third T-bill linked) +1.65% | 14 February 2025 | 5,000 | IND AAA/Stable |
| INE774D07UJ2 | 22 February 2022 | 5.98 | 22 February 2024 | 3,000 | IND AAA/Stable |
| INE774D07UG8* | 28 March 2022 | 7.45 | 22 February 2024 | 2,500 | IND AAA/Stable |
| INE774D07UK0 | 14 July 2022 | ZERO coupon (xirr 7.25) | 14 February 2024 | 2,167 | IND AAA/Stable |
| INE774D07UL8 | 23 July 2022 | 7.46 | 24 June 2024 | 2,750 | IND AAA/Stable |
| INE774D07UM6 | 30 August 2022 | 7.90 | 30 August 2027 | 7,500 | IND AAA/Stable |
| INE774D07UN4 | 27 September 2022 | 8 | 27 September 2032 | 20,000 | IND AAA/Stable |
| INE774D07UQ7 | 21 November 2022 | 8.10 | 21 November 2025 | 4,070 | IND AAA/Stable |
| INE774D07UP9 | 21 November 2022 | ZERO | 21 May 2025 | 1,750 | IND AAA/Stable |

| | | | | | |
|--------------|---------------|------|---------------|---------|----------------|
| INE774D07UW5 | 29 March 2023 | 8.25 | 28 March 2025 | 11,250 | IND AAA/Stable |
| INE774D07UV7 | 29 March 2023 | 8.25 | 29 March 2028 | 11,250 | IND AAA/Stable |
| INE774D07UT1 | 29 March 2023 | 8.25 | 26 March 2026 | 11,250 | IND AAA/Stable |
| INE774D07UU9 | 29 March 2023 | 8.25 | 28 March 2028 | 11,250 | IND AAA/Stable |
| INE774D07UX3 | 21 April 2023 | 8.10 | 21 May 2026 | 6,820 | IND AAA/Stable |
| INE774D07VB7 | 27 April 2023 | 8.00 | 25 April 2025 | 10,500 | IND AAA/Stable |
| INE774D07UZ8 | 27 April 2023 | 8.00 | 27 April 2027 | 10,500 | IND AAA/Stable |
| INE774D07VA9 | 27 April 2023 | 8.00 | 26 June 2025 | 10,500 | IND AAA/Stable |
| INE774D07UY1 | 27 April 2023 | 8.00 | 27 April 2027 | 10,500 | IND AAA/Stable |
| | | | Utilised | 231,037 | |
| | | | Unutilised | 158,963 | |
| | | | Total | 390,000 | |

*Additional issuance under the same ISIN

Market-linked Debentures

| ISIN | Date of Issuance | Coupon rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|---------------|------------------|-----------------|------------------|-----------------------------|-----------------------|
| INE774D07UO2 | 31 October 2022 | 7.7 | 19 December 2024 | 2,750 | IND PP-MLD AAA/Stable |
| INE774D07UO2* | 24 November 2022 | 7.7 | 19 December 2024 | 2,245 | IND PP-MLD AAA/Stable |
| INE774D07UR5 | 17 January 2023 | 7.65 | 15 January 2026 | 1,165 | IND PP-MLD AAA/Stable |
| | | | Utilised | 6,160 | |
| | | | Unutilised | 8,840 | |
| | | | Total | 15,000 | |

*Additional issuance under the same ISIN

Retail Debt Issuances

| ISIN | Date of Issuance | Coupon rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|---------------|------------------|-----------------|-----------------|-----------------------------|----------------|
| INE774D07ST5 | 18 January 2019 | 9.1 | 18 January 2024 | 933 | IND AAA/Stable |
| INE774D07SU3 | 18 January 2019 | 9.15 | 18 January 2024 | 4,423 | IND AAA/Stable |
| INE774D07SV1 | 18 January 2019 | 9.2 | 18 January 2027 | 175 | IND AAA/Stable |
| INE774D07SW9 | 18 January 2019 | 9.3 | 18 January 2027 | 8,516 | IND AAA/Stable |
| INE774D08MO7* | 18 January 2019 | 9.35 | 18 January 2029 | 5 | IND AAA/Stable |
| INE774D08MP4* | 18 January 2019 | 9.5 | 18 January 2029 | 3,364 | IND AAA/Stable |
| | | | Utilised | 17,416 | |
| | | | Unutilised | 82,584 | |
| | | | Total | 100,000 | |

*Retail Subordinated Debt

Subordinated Debt

| ISIN | Date of Issuance | Coupon rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|--------------|------------------|-----------------|---------------|-----------------------------|-------------------|
| INE774D08LD2 | 23 April 2013 | 9.70 | 24 April 2023 | 800 | WD (Paid in full) |
| INE774D08LF7 | 24 May 2013 | 9.50 | 24 May 2023 | 478 | WD (Paid in full) |

| | | | | | |
|---------------|------------------|------|------------------|--------|----------------|
| INE774D08LH3 | 28 August 2014 | 9.60 | 28 August 2024 | 100 | IND AAA/Stable |
| INE774D08L11 | 3 September 2014 | 9.60 | 3 September 2024 | 50 | IND AAA/Stable |
| INE774D08LJ9 | 17 November 2014 | 9.50 | 15 November 2024 | 1,000 | IND AAA/Stable |
| INE774D08LK7 | 2 February 2015 | 9.18 | 31 January 2025 | 1,000 | IND AAA/Stable |
| INE774D08LL5 | 25 June 2015 | 9.10 | 25 June 2025 | 250 | IND AAA/Stable |
| INE774D08LM3 | 14 August 2015 | 9.00 | 14 August 2025 | 250 | IND AAA/Stable |
| INE774D08LN1 | 21 August 2015 | 9.00 | 21 August 2025 | 250 | IND AAA/Stable |
| INE774D08LO9 | 27 October 2015 | 8.90 | 27 October 2025 | 1,000 | IND AAA/Stable |
| INE774D08MT6 | 5 July 2021 | 7.35 | 4 July 2031 | 1,329 | IND AAA/Stable |
| INE774D08MV2 | 21 July 2022 | 8.20 | 21 July 2032 | 800 | IND AAA/Stable |
| INE774D08MV2* | 7 September 2022 | 8.20 | 21 July 2032 | 3,000 | IND AAA/Stable |
| | | | Utilised | 9,029 | |
| | | | Unutilised | 5,471 | |
| | | | Total | 14,500 | |

*Additional issuance under the same ISIN

Retail Subordinated Debt

| ISIN | Date of Issuance | Coupon rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|--------------|------------------|-----------------|---------------|-----------------------------|-------------------|
| INE774D08LR2 | 6 June 2016 | 8.44 | 6 June 2023 | 52 | WD (Paid in full) |
| INE774D08LS0 | 6 June 2016 | 8.53 | 6 June 2023 | 13 | WD (Paid in full) |
| INE774D08LT8 | 6 June 2016 | 8.53 | 6 June 2026 | 9 | IND AAA/Stable |
| INE774D08LU6 | 6 June 2016 | 8.72 | 6 June 2026 | 247 | IND AAA/Stable |
| INE774D08LX0 | 6 June 2016 | 8.7 | 6 June 2023 | 8 | WD (Paid in full) |
| INE774D08LY8 | 6 June 2016 | 8.8 | 6 June 2023 | 36 | WD (Paid in full) |
| INE774D08LZ5 | 6 June 2016 | 8.8 | 6 June 2026 | 278 | IND AAA/Stable |
| INE774D08MA6 | 6 June 2016 | 9 | 6 June 2026 | 8,523 | IND AAA/Stable |
| INE774D08ME8 | 6 June 2016 | N.A | 6 June 2023 | 14 | WD (Paid in full) |
| INE774D08MF5 | 6 June 2016 | N.A | 6 June 2026 | 3 | IND AAA/Stable |
| INE774D08MG3 | 6 June 2016 | N.A | 6 June 2026 | 270 | IND AAA/Stable |
| INE774D08MH1 | 24 July 2017 | 7.75 | 24 July 2024 | 500 | IND AAA/Stable |
| INE774D08MI9 | 24 July 2017 | 7.85 | 24 July 2024 | 93 | IND AAA/Stable |
| INE774D08MJ7 | 24 July 2017 | 7.9 | 24 July 2027 | 2 | IND AAA/Stable |
| INE774D08MK5 | 24 July 2017 | 8 | 24 July 2027 | 4,470 | IND AAA/Stable |
| INE774D08ML3 | 24 July 2017 | 7.95 | 24 July 2032 | 11 | IND AAA/Stable |
| INE774D08MM1 | 24 July 2017 | 8.05 | 24 July 2032 | 6,428 | IND AAA/Stable |
| | | | Utilised | 20,835 | |
| | | | Unutilised | 9,165 | |
| | | | Total | 30,000 | |

Complexity Level of Instruments

| Instrument Description | Complexity Indicator |
|------------------------|----------------------|
| Bank loans | Low |
| NCDs | Low |
| CP | Low |
| PP-MLD | High |
| Fixed deposit | Low |

For details on the complexity level of the instrument, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

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APPLICABLE CRITERIA

Financial Institutions Rating Criteria

Rating FI Subsidiaries and Holding Companies

Rating of Financial Institutions Legacy Hybrids and Sub-Debt

Non-Bank Finance Companies Criteria

Evaluating Corporate Governance

The Rating Process

DISCLAIMER

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RATING RATIONALE

14 June 2023

Mahindra & Mahindra Financial Services Limited

Brickwork Ratings reaffirms the ratings of the NCDs amounting to Rs. 2200 Crs of Mahindra & Mahindra Financial Services Limited at BWR AAA/Stable.

Particulars:

| Facilities** | Amount Rated (Rs. Cr) | | Tenure | Rating | |
|---|-----------------------|--------------|--|-----------------------------------|--|
| | Previous | Present | | Previous Rating (2 June 2022) | Present Rating* |
| Non-Convertible Debentures (Subordinated Debt) | 2,200 | 2,200 | Long Term | BWR AAA/Stable (Reaffirmed) | BWR AAA/Stable (Reaffirmed) |
| Total | 2,200 | 2,200 | Rupees Two Thousand Two Hundred Crores Only | | |
| *Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings | | | | | |
| ** Details of outstanding NCDs are provided in Annexure-I | | | | | |

RATING ACTION/OUTLOOK

Brickwork Ratings has reaffirmed the rating of the subordinated debt of Mahindra & Mahindra Financial Services Limited (MMFSL or the company) at BWR AAA/Stable. The rating has factored in, inter alia, the strength and support of MMFSL's parent Mahindra & Mahindra Limited (M&M) to the company given its strategic importance to M&M, the experienced board and management of MMFSL, comfortable capital adequacy, diversified resource profile and sizable loan portfolio. The rating is, however, constrained by asset quality issues due to the cyclical nature of the sectors catered to by MMFSL and pressure on the company's overall earning profile.

However, BWR derives comfort from a very comfortable provision coverage ratio of almost 60% for FY23. Improved Gross Stage 3 and Net Stage 3 ratio stood at 4.49% and 1.87% respectively for FY23 as against 7.66% and 3.36% for FY22, through improved Collection efficiency which continued to be healthy at 99% during Q4FY23 and 96% during FY23. The collections were facilitated by switching to digital collections, intensified collection efforts, improved review of on-ground data and strengthening of the legal action team. The company has a strong collection team (called 'War Room'), and the focus on timely recoveries is continuous.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA

KEY RATING DRIVERS

Credit Strengths:-

- **Strategic importance of MMFSL to M&M:** Mahindra and Mahindra Limited, India's largest tractor and utility vehicle manufacturer, holds a 52.16% stake in MMFSL as on 31 Mar 2023, and the latter is of strategic importance to M&M. As on 31 March 2022, 44% of the AUM (Assets under Management) consisted of M&M vehicle financing. It also benefits from the operational and financial support from M&M. This, along with the shared brand name with the parent, helps MMFSL in resource raising and better managing economic down cycles.
- **Experienced board and management:** The board of MMFSL consists of ten directors, vested with the charge of the general supervision, direction and management of the company's operations, and six of these are independent directors. Managing Director & CEO, Mahindra & Mahindra Ltd., Dr. Anish Shah was appointed as the company's chairman with effect from 2nd April 2021. Having joined the Mahindra Group in 2014 as Group President (Strategy), he was appointed Deputy Managing Director and Group CFO in 2019. Mr. Ramesh Iyer, the Vice Chairman and Managing Director has been spearheading the company's growth over the past 25 years. With effect from 14th September 2020, Mr. Vivek Karve was appointed as the CFO, replacing Mr. V. Ravi, who retired on 24th July 2020, upon completion of tenure as CFO and executive director. He has more than 25 years of experience in Finance, Banking, and IT across organizations.

Mr Amit Sinha, Group President – Strategy, Mahindra & Mahindra Limited and member of the Group Executive Board of Mahindra & Mahindra Limited, has been appointed as Non-Independent Non-Executive Director with effect from April 23, 2021. Prior to joining Mahindra & Mahindra Limited, Mr. Amit Sinha has worked with Bain & Company, Tata Motors and IGate Patni (now Capgemini) across India, Singapore and US.

Mr. Raul Rebello, has been appointed as Chief Operating Officer - Mahindra Finance with effect from September 1, 2021. Mr. Raul Rebello appointed as the Whole-time Director designated as “Executive Director and MD & CEO- Designate” with effect from 1st May 2023 upto 29th April 2024(both days inclusive) and as the Managing Director of the Company designated as “Managing Director & CEO”(“MD & CEO”) with effect from 30th April 2024 upto 30th April 2028 (both days inclusive) and as the Key Managerial Personnel of the Company in terms of section 203 of the Companies Act, 2013.Mr. Rebello will assume the office of the MD & CEO effective 30th April 2024, after superannuation of Mr. Ramesh Iyer, Vice-Chairman and MD of the Company on 29th April 2024. Mr. Raul Rebello is a career banker with nearly two decades of extensive work in the domain of rural banking and financial inclusion.

Prior to joining Mahindra Finance, he was with Axis Bank as EVP and Head Rural Lending and Financial inclusion. The Company would be seeking approval of the shareholders of the Company for the above at the ensuing 33rd Annual General Meeting of the Company.



- **Comfortable capital position:** MMFSL is well-capitalised, with a total CRAR of 22.5% as of 31 March 2023, which is above the RBI's minimum stipulated requirement of 15%.
- **Diversified funding profile:** As on 31 Mar 2023 MMFSL had a diversified lender profile, the Borrowings are predominantly from Bank and FIs at 57.40% followed by insurance & Pension Funds at 17.30%. The company borrows predominantly through Bank Loans at 40.30% followed by NCDs at 26.70%.
- **Sizeable loan portfolio:** MMFSL is primarily engaged in the business of financing the purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipment and SME financing, to customers predominantly in the rural and semi-urban areas.

At a standalone level, MMFSL's Loan Book (net of provisions) grew by 32% YoY, from Rs 60,445 Crs as on 31 March 2022 to Rs.79,455 Crs in FY23. During FY23, the total disbursements (amount financed) increased by 80% YoY, to Rs 49,541 Crs as against Rs 27,581 Crs during FY22.

As on 31 March 2023, the portfolio (gross of provisions) was well-diversified, with exposure to various asset classes such as auto/utility vehicles (33%), cars (20%), tractors (14%), commercial vehicles (11%), pre-owned vehicles (12%), and SME and others (10%). Geographically, the company's portfolio is well-diversified. As on 31 Mar 2023, 22% of company's portfolio was concentrated in Eastern states, 31% in Northern states, 19% in Southern states and the balance 28% was in West and Central regions. As part of portfolio diversification, the company shall nurture new businesses in the domain of digital finance and leasing, by leveraging the existing customer base through direct marketing initiatives.

Credit Risks:-

- **Average asset quality:** The standalone Gross Non-Performing Assets (GNPA - Gross Stage 3) stood at 4.49% as on 31 March 2023, against 7.66% as on 31 March 2022. NNPA also improved to 1.87% as on 31 Mar 2023 as against 3.36% as on 31 Mar 2022. In absolute terms also, GNPA was Rs 4,976 Crs as on 31 March 2022 and Rs 3,717 Crs as on 31 March 2023. The company targets to maintain its GNPA around 5% p.a. over the medium term. The Stage-3 provision coverage ratio is at 59.5% as on 31 March 2023. The asset quality performance will continue to remain a rating monitorable considering the cyclical nature of the sectors catered to by MMFSL.
- **Debt: Equity Ratio:** The ratio stands at 3.85 on a consolidated basis, compared to 2.95 in the previous year. The weakened ratio is a concern. As informed, the company has no immediate plans to infuse equity on the one hand; on the other, business is expanding, implying higher borrowings and therefore, possibility of the ratio slipping further. However, the strategic importance of this company to the parent, Mahindra & Mahindra, and the continuing support of the parent company are mitigating factors.



ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

To arrive at its ratings, BWR applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale). MMFSL is evaluated on a consolidated basis; also, the ownership and support of M&M, along with the strategic importance of MMFSL for M&M Ltd has been taken note of.

RATING SENSITIVITIES

Negative: a) A substantial deterioration in asset quality from the current level on a sustained basis.
b) Significant reduction in support to Mahindra Finance by M&M.

LIQUIDITY INDICATORS: Adequate

Liquidity- Adequate: As on 31 March 2023, the company had adequate liquidity consisting of Cash/ liquid investments of app ~ Rs 10,400 Crs. There is no negative mismatch across buckets till 5 years. The Liquidity/ ALM position may be considered adequate and comfortable given the positive cumulative mismatches.

ABOUT THE COMPANY

Mahindra & Mahindra Financial Services Limited (MMFSL) is an RBI-registered systemically important deposit-taking NBFC. It is a subsidiary of Mahindra and Mahindra Limited, one of India's leading tractor and utility vehicle manufacturers. MMFSL has its corporate office in Mumbai, and its operation is focused in rural and semi-urban areas. M&M had around a 52.16% shareholding in MMFSL as of 31 March 2023. It is listed on the NSE and BSE. MMFSL has subsidiaries that are into insurance broking, rural housing finance and asset management, among others. It is primarily in the business of financing the purchase of new and pre-owned auto and utility vehicles, tractors, cars, commercial vehicles, construction equipment and SME financing. It has 1386 offices covering 27 states and 7 union territories in India and reaches out to customers spread over 3,80,000 villages and 7000 towns across the country, as of 31 March 2023.

KEY FINANCIAL INDICATORS- (CONSOLIDATED)

| Key Financial Indicators | Units | FY21 | FY22 | FY23 |
|---------------------------------|--------------|----------------|----------------|----------------|
| Result Type | | Audited | Audited | Audited |
| Loan Assets | Rs. in Crs. | 67,076 | 67,660 | 86,456 |
| Total Income | Rs. in Crs. | 12,170 | 11,401 | 12,832 |
| Profit After Tax | Rs. in Crs. | 780 | 1,150 | 2,071 |
| Networth | Rs. in Crs. | 15,875 | 17,038 | 18,701 |
| Gearing** | Times | 3.51 | 2.95 | 3.85 |
| CRAR* | % | 26.2% | 27.8% | 22.5% |

| Key Financial Indicators | Units | FY21 | FY22 | FY23 |
|--------------------------|-------|-------|-------|------|
| GNPA* | % | 8.96% | 7.66% | 4.49 |
| NNPA* | % | 3.97% | 3.36% | 1.87 |

** as per BWR calculations *Standalone

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: NIL

ANY OTHER INFORMATION : NA

| RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended] | | | | | | | |
|--|----------------|------------------------|------------------|---|------------------|------------------|------------------|
| Sr. No | Instrument | Current Rating (2023) | | | Rating History | | |
| | | Tenure | Amount (Rs.Crs.) | Rating | 2 June 2022 | 27 May 2021 | 02 Jun 2020 |
| 1. | NCD (Sub Debt) | Long Term | 2200 | BWR AAA (Stable) | BWR AAA (Stable) | BWR AAA (Stable) | BWR AAA (Stable) |
| Total | | | 2200 | Rs. Two Thousand Two Hundred Crs. Only | | | |

COMPLEXITY LEVELS OF THE INSTRUMENTS:

NCD - SIMPLE

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Bank Financial Institution](#)
- [Banks & Financial Institutions](#)

| Analytical Contacts | |
|--|--|
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| 1-860-425-2742 | I media@brickworkratings.com |

Mahindra and Mahindra Financial Services Limited

**ANNEXURE I:
Details of Bank Loan Facilities rated by BWR: NA**

**ANNEXURE II:
INSTRUMENT (Bonds) DETAILS**

| DETAILS OF NCDs OUTSTANDING | | | | | |
|------------------------------------|-------------------|--------------------------------------|--------------------|----------------------|-------------------------|
| Instrument | Issue Date | Outstanding Amount (Rs. Crs.) | Coupon Rate | Maturity Date | ISIN Particulars |
| NCD Sub Debt | 24-Jul-17 | 50.00 | 7.75% | 24-Jul-24 | INE774D08MH1 |
| | 24-Jul-17 | 9.32 | 7.85% | 24-Jul-24 | INE774D08MI9 |
| | 24-Jul-17 | 0.22 | 7.90% | 24-Jul-27 | INE774D08MJ7 |
| | 24-Jul-17 | 447.02 | 8.00% | 24-Jul-27 | INE774D08MK5 |
| | 24-Jul-17 | 1.12 | 7.95% | 24-Jul-32 | INE774D08ML3 |
| | 24-Jul-17 | 642.84 | 8.05% | 24-Jul-32 | INE774D08MM1 |
| | 28-Aug-14 | 10 | 9.60% | 28-Aug-24 | INE774D08LH3 |
| | 03-Sep-14 | 5 | 9.60% | 03-Sep-24 | INE774D08LI1 |
| Total | | 1,165.53 | | | |

Out of the overall NCDs of Rs 2,200 Crs rated by BWR, NCDs of Rs 1,034.47 Crs are yet to be issued.

ANNEXURE- III
List of Entities Consolidated :

| Name of Entity | % ownership | Extent of consolidation | Rationale for consolidation |
|--|--------------------|--------------------------------|------------------------------------|
| Mahindra Insurance Brokers Limited | 80% | 80% | Subsidiary |
| Mahindra Rural Housing Finance Limited | 98.43% | 98.43% | Subsidiary |
| Mahindra Manulife Investment Management Private Limited | 51% | 51% | Subsidiary |
| Mahindra Manulife Trustee Private Limited | 51% | 51% | Subsidiary |
| Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust | - | Full | Subsidiary |
| Mahindra Rural Housing Finance Limited Employee Welfare Trust | - | Full | Subsidiary |
| Mahindra Finance CSR Foundation | - | Full | Subsidiary |
| Mahindra Finance USA LLC | 49% | 49% | Subsidiary |
| Mahindra Ideal Finance Limited | 58.20% | 58.20% | Subsidiary |

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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CONFIDENTIAL

RL/MAHMAHF/322064/NCD/0623/64317/149018681/1
July 31, 2023

Mr. Vivek Karve
Chief Financial Officer
Mahindra and Mahindra Financial Services Limited
4th Floor, Mahindra Towers,
P K Kurne Chowk, Worli
Mumbai City - 400018



Dear Mr. Vivek Karve,

Re: CRISIL Rating on the Rs.8000 Crore Non Convertible Debentures of Mahindra and Mahindra Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated June 30, 2023 bearing Ref. no.:
RL/MAHMAHF/322064/NCD/0623/64317/149018681

Please find in the table below the ratings outstanding for your company.

| S.No. | Instrument | Rated Amount (Rs. in Crore) | Rating Outstanding |
|-------|----------------------------|-----------------------------|--------------------|
| 1 | Non Convertible Debentures | 8000 | CRISIL AAA/Stable |

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Subhasri Narayanan
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

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RL/MAHMAHF/322064/NCD/0623/64314/152729215/1
July 31, 2023



Mr. Vivek Karve
Chief Financial Officer
Mahindra and Mahindra Financial Services Limited
4th Floor, Mahindra Towers,
P K Kurne Chowk, Worli
Mumbai City - 400018

Dear Mr. Vivek Karve,

Re: CRISIL Rating on the Rs. 10000 Crore Non Convertible Debentures of Mahindra and Mahindra Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated June 30, 2023 bearing Ref. no.:
RL/MAHMAHF/322064/NCD/0623/64314/152729215

Please find in the table below the ratings outstanding for your company.

| S.No. | Instrument | Rated Amount (Rs. in Crore) | Rating Outstanding |
|-------|----------------------------|-----------------------------|--------------------|
| 1 | Non Convertible Debentures | 10000 | CRISIL AAA/Stable |

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest ratings/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subhasri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

CONFIDENTIAL

RL/MAHMAHF/322064/CP/0623/64315/1
July 31, 2023



Mr. Vivek Karve
Chief Financial Officer
Mahindra and Mahindra Financial Services Limited
4th Floor, Mahindra Towers,
P K Kurne Chowk, Worli
Mumbai City - 400018

Dear Mr. Vivek Karve,

Re: CRISIL Rating on the Rs.10000 Crore Commercial Paper of Mahindra and Mahindra Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated June 30, 2023 bearing Ref. no.: RL/MAHMAHF/322064/CP/0623/64315

Please find in the table below the ratings outstanding for your company.

| S.No. | Instrument | Rated Amount (Rs. in Crore) | Rating Outstanding |
|-------|------------------|-----------------------------|--------------------|
| 1 | Commercial Paper | 10000 | CRISIL A1+ |

For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid (unless revised) throughout the life of the captioned Commercial Paper Programme with a maximum maturity of one year.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subhasri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



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Mr. Dinesh Prajapati
VP – Treasury & Corporate Affairs,
Mahindra & Mahindra Financial Services Limited,
4th Floor, Mahindra Towers,
Dr.G.M Bhosale Marg, Worli,
Mumbai- 400018

August 01, 2023

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Mahindra & Mahindra Financial Services Limited

INR390bn non-convertible debentures (NCD): 'IND AAA'/ Outlook Stable.

INR100bn retail non-convertible debentures (NCD): 'IND AAA'/ Outlook Stable (the rated limit is interchangeable with retail subordinated debt)

INR 14.5bn Private Sub Debt: 'IND AAA'/ Outlook Stable

INR15bn Principal protected market linked debenture: IND PP-MLD AAA/Stable.

INR30bn retail Subordinate debt: 'IND AAA'/ Outlook Stable.

- Out of INR390bn of NCD, INR231bn is outstanding;
- Out of INR100bn of Retail NCD which is interchangeable with retail subordinated debt INR17.42bn of Retail NCD and INR3.37bn of Retail Subordinate debt is outstanding;
- Out of INR14.5bn of Private Sub Debt, INR9.03bn is outstanding;
- Out of INR15bn Principal Protected Market Linked Debenture, INR6.16bn is outstanding;
- Out of INR30bn Retail Subordinate Debt, INR20.84bn is outstanding

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action

commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Karan Gupta
Director



Rakesh Valecha
Senior Director

Annexure: Facilities Breakup

Annexure: ISIN

| Instrument | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Ratings | Outstanding/Rated Amount(INR million) |
|-------------------------------------|--------------|------------------|--------------------------------------|---------------|-------------------|---------------------------------------|
| Market Linked Debenture | INE774D07UO2 | 31/10/2022 | 7.7 | 19/12/2024 | IND AAA/Stable | 2750 |
| Market Linked Debenture | INE774D07UO2 | 24/11/2022 | 7.7 | 19/12/2024 | IND AAA/Stable | 2245 |
| Market Linked Debenture | INE774D07UR5 | 17/01/2023 | 7.65 | 15/01/2026 | IND AAA/Stable | 1165 |
| Market Linked Debenture(unutilised) | | | | | IND AAA/Stable | 8840 |
| Privately placed NCD | INE774D07KT2 | 15/12/2014 | 8.95 | 13/12/2024 | IND AAA/Stable | 1750 |
| Privately placed NCD | INE774D07KW6 | 23/01/2015 | 8.79 | 23/01/2025 | IND AAA/Stable | 2500 |
| Privately placed NCD | INE774D07LB8 | 10/03/2015 | 8.7 | 10/03/2025 | IND AAA/Stable | 550 |
| Privately placed NCD | INE774D07LE2 | 24/03/2015 | 8.72 | 24/03/2025 | IND AAA/Stable | 500 |
| Privately placed NCD | INE774D07LO1 | 22/04/2015 | 9 | 22/04/2025 | IND AAA/Stable | 5000 |
| Privately placed NCD | INE774D07MK7 | 24/06/2015 | 9 | 24/06/2025 | IND AAA/Stable | 5000 |
| Privately placed NCD | INE774D07MM3 | 29/06/2015 | 8.95 | 27/06/2025 | IND AAA/Stable | 150 |
| Privately placed NCD | INE774D07NN9 | 09/10/2015 | 8.75 | 09/10/2025 | IND AAA/Stable | 2500 |
| Privately placed NCD | INE774D08MU4 | 19/04/2018 | 8.53 | 19/04/2033 | IND AAA/Stable | 10000 |
| Privately placed NCD | INE774D07TG0 | 08/08/2019 | 8.48 | 08/08/2029 | IND AAA/Stable | 20000 |
| Privately placed NCD | INE774D07TL0 | 05/03/2020 | 7.45 | 11/12/2024 | IND AAA/Stable | 4000 |
| Privately placed NCD | INE774D07TM8 | 05/03/2020 | 7.75 | 05/03/2030 | IND AAA/Stable | 775 |
| Privately placed NCD | INE774D07TV9 | 31/07/2020 | 5.9 | 31/07/2023 | WD/Stable | 2750 |
| Privately placed NCD | INE774D07TY3 | 16/10/2020 | 5.72 | 16/10/2023 | IND AAA/Stable | 5000 |
| Privately placed NCD | INE774D07UA1 | 04/12/2020 | 5.25 | 04/12/2023 | IND AAA/Stable | 4250 |
| Privately placed NCD | INE774D07UC7 | 04/06/2021 | Benchmark (3th T-bill linked) +1.60% | 04/06/2024 | IND AAA/Stable | 5000 |
| Privately placed NCD | INE774D07UD5 | 24/06/2021 | 6.35 | 24/12/2024 | IND | 562.5 |

| | | | | | | |
|----------------------|--------------|------------|--------------------------------------|------------|-------------------|-------|
| | | | | | AAA/Stable | |
| Privately placed NCD | INE774D07UD5 | 24/06/2021 | 6.35 | 24/06/2025 | IND AAA/Stable | 562.5 |
| Privately placed NCD | INE774D07UD5 | 24/06/2021 | 6.35 | 24/12/2025 | IND AAA/Stable | 562.5 |
| Privately placed NCD | INE774D07UD5 | 24/06/2021 | 6.35 | 24/06/2026 | IND AAA/Stable | 562.5 |
| Privately placed NCD | INE774D07UF0 | 23/07/2021 | Benchmark (3th T-bill linked) +1.47% | 23/07/2024 | IND AAA/Stable | 7000 |
| Privately placed NCD | INE774D07UG8 | 17/11/2021 | 7.45 | 17/11/2031 | IND AAA/Stable | 3750 |
| Privately placed NCD | INE774D07UG8 | 17/12/2021 | 7.45 | 17/11/2031 | IND AAA/Stable | 2755 |
| Privately placed NCD | INE774D07UH6 | 27/01/2022 | 6.25 | 28/07/2025 | IND AAA/Stable | 3000 |
| Privately placed NCD | INE774D07UI4 | 15/02/2022 | Benchmark (3th T-bill linked) +1.65% | 14/02/2025 | IND AAA/Stable | 5000 |
| Privately placed NCD | INE774D07UJ2 | 22/02/2022 | 5.98 | 22/02/2024 | IND AAA/Stable | 3000 |
| Privately placed NCD | INE774D07UG8 | 28/03/2022 | 7.45 | 22/02/2024 | IND AAA/Stable | 2500 |
| Privately placed NCD | INE774D07UK0 | 14/07/2022 | ZERO coupon (xirr 7.25) | 14/02/2024 | IND AAA/Stable | 2167 |
| Privately placed NCD | INE774D07UL8 | 23/07/2022 | 7.4601 | 24/06/2024 | IND AAA/Stable | 2750 |
| Privately placed NCD | INE774D07UM6 | 30/08/2022 | 7.9 | 30/08/2027 | IND AAA/Stable | 7500 |
| Privately placed NCD | INE774D07UN4 | 27/09/2022 | 8 | 27/09/2032 | IND AAA/Stable | 20000 |
| Privately placed NCD | INE774D07UQ7 | 21/11/2022 | 8.1 | 21/11/2025 | IND AAA/Stable | 4070 |
| Privately placed NCD | INE774D07UP9 | 21/11/2022 | ZERO | 21/05/2025 | IND AAA/Stable | 1750 |
| Privately placed NCD | INE774D07UW5 | 29/03/2023 | 8.25 | 28/03/2025 | IND AAA/Stable | 11250 |
| Privately placed NCD | INE774D07UV7 | 29/03/2023 | 8.25 | 29/03/2028 | IND AAA/Stable | 11250 |
| Privately placed NCD | INE774D07UT1 | 29/03/2023 | 8.25 | 26/03/2026 | IND AAA/Stable | 11250 |
| Privately placed NCD | INE774D07UU9 | 29/03/2023 | 8.25 | 28/03/2028 | IND AAA/Stable | 11250 |
| Privately placed NCD | INE774D07UX3 | 21/04/2023 | 8.1 | 21/05/2026 | IND AAA/Stable | 6820 |
| Privately placed NCD | INE774D07VB7 | 27/04/2023 | 8 | 25/04/2025 | IND AAA/Stable | 10500 |
| Privately placed NCD | INE774D07UZ8 | 27/04/2023 | 8 | 27/04/2027 | IND AAA/Stable | 10500 |
| Privately placed NCD | INE774D07VA9 | 27/04/2023 | 8 | 26/06/2025 | IND AAA/Stable | 10500 |

| | | | | | | |
|---|---------------|------------|------|------------|-------------------|----------|
| Privately placed NCD | INE774D07UY1 | 27/04/2023 | 8 | 27/04/2027 | IND AAA/Stable | 10500 |
| Privately placed NCD | INE774D07UX3 | 27/07/2023 | 8.1 | 21/05/2026 | IND AAA/Stable | 3450 |
| Privately placed NCD (unutilised) | | | | | IND AAA/Stable | 158.3 |
| Privately placed Subordinate Debenture | INE774D08LH3 | 28/08/2014 | 9.6 | 28/08/2024 | IND AAA/Stable | 100 |
| Privately placed Subordinate Debenture | INE774D08LI1 | 03/09/2014 | 9.6 | 03/09/2024 | IND AAA/Stable | 50 |
| Privately placed Subordinate Debenture | INE774D08LJ9 | 17/11/2014 | 9.5 | 15/11/2024 | IND AAA/Stable | 1000 |
| Privately placed Subordinate Debenture | INE774D08LK7 | 02/02/2015 | 9.18 | 31/01/2025 | IND AAA/Stable | 1000 |
| Privately placed Subordinate Debenture | INE774D08LL5 | 25/06/2015 | 9.1 | 25/06/2025 | IND AAA/Stable | 250 |
| Privately placed Subordinate Debenture | INE774D08LM3 | 14/08/2015 | 9 | 14/08/2025 | IND AAA/Stable | 250 |
| Privately placed Subordinate Debenture | INE774D08LN1 | 21/08/2015 | 9 | 21/08/2025 | IND AAA/Stable | 250 |
| Privately placed Subordinate Debenture | INE774D08LO9 | 27/10/2015 | 8.9 | 27/10/2025 | IND AAA/Stable | 1000 |
| Privately placed Subordinate Debenture | INE774D08MT6 | 05/07/2021 | 7.35 | 04/07/2031 | IND AAA/Stable | 1329 |
| Privately placed Subordinate Debenture | INE774D08MV2 | 21/07/2022 | 8.2 | 21/07/2032 | IND AAA/Stable | 800 |
| Privately placed Subordinate Debenture | INE774D08MV2 | 07/09/2022 | 8.2 | 21/07/2032 | IND AAA/Stable | 3000 |
| Privately placed Subordinate Debenture (unutilised) | | | | | IND AAA/Stable | 5470 |
| Retail Secured NCD | INE774D07ST5 | 18/01/2019 | 9.1 | 18/01/2024 | IND AAA/Stable | 933 |
| Retail Secured NCD | INE774D07SU3 | 18/01/2019 | 9.15 | 18/01/2024 | IND AAA/Stable | 4422.611 |
| Retail Secured NCD | INE774D07SV1 | 18/01/2019 | 9.2 | 18/01/2027 | IND AAA/Stable | 175.48 |
| Retail Secured NCD | INE774D07SW9 | 18/01/2019 | 9.3 | 18/01/2027 | IND AAA/Stable | 8516.05 |
| Retail Secured NCD | INE774D08MO7* | 18/01/2019 | 9.35 | 18/01/2029 | IND AAA/Stable | 5 |
| Retail Secured NCD | INE774D08MP4* | 18/01/2019 | 9.5 | 18/01/2029 | IND AAA/Stable | 3363.723 |
| Retail Secured NCD (unutilised) | | | | | IND AAA/Stable | 82580 |
| Retail Sub Debt | INE774D08LT8 | 06/06/2016 | 8.53 | 06/06/2026 | IND AAA/Stable | 9 |
| Retail Sub Debt | INE774D08LU6 | 06/06/2016 | 8.72 | 06/06/2026 | IND AAA/Stable | 247.349 |
| Retail Sub Debt | INE774D08LZ5 | 06/06/2016 | 8.8 | 06/06/2026 | IND AAA/Stable | 278.3 |

| | | | | | | |
|------------------------------|--------------|------------|------|------------|-------------------|----------|
| Retail Sub Debt | INE774D08MA6 | 06/06/2016 | 9 | 06/06/2026 | IND AAA/Stable | 8523.308 |
| Retail Sub Debt | INE774D08MF5 | 06/06/2016 | N.A | 06/06/2026 | IND AAA/Stable | 2.5 |
| Retail Sub Debt | INE774D08MG3 | 06/06/2016 | N.A | 06/06/2026 | IND AAA/Stable | 269.593 |
| Retail Sub Debt | INE774D08MH1 | 24/07/2017 | 7.75 | 24/07/2024 | IND AAA/Stable | 500 |
| Retail Sub Debt | INE774D08MI9 | 24/07/2017 | 7.85 | 24/07/2024 | IND AAA/Stable | 93.224 |
| Retail Sub Debt | INE774D08MJ7 | 24/07/2017 | 7.9 | 24/07/2027 | IND AAA/Stable | 2.2 |
| Retail Sub Debt | INE774D08MK5 | 24/07/2017 | 8 | 24/07/2027 | IND AAA/Stable | 4470.246 |
| Retail Sub Debt | INE774D08ML3 | 24/07/2017 | 7.95 | 24/07/2032 | IND AAA/Stable | 11.2 |
| Retail Sub Debt | INE774D08MM1 | 24/07/2017 | 8.05 | 24/07/2032 | IND AAA/Stable | 6428.443 |
| Retail Sub Debt (Unutilised) | | | | | IND AAA/Stable | 9165 |

*Retail Subordinated Debt



Mr. Dinesh Prajapati
VP – Treasury & Corporate Affairs,
Mahindra & Mahindra Financial Services Limited,
4th Floor, Mahindra Towers,
Dr.G.M Bhosale Marg, Worli,
Mumbai- 400018

August 01, 2023

Dear Sir/Madam,

Re: Rating of Commercial Paper programme of Mahindra & Mahindra Financial Services Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of:

- INR100bn commercial papers: 'IND A1+'

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or

security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. Once the instrument is issued, the above rating is valid for a maximum period of 1 year from the date of issuance. Notwithstanding the above, the rating is subject to review on a continuing basis, with formal reviews being undertaken at regular intervals of no more than 12 months. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings


Karan Gupta
Director


Rakesh Valecha
Senior Director