Mahindra FINANCE

Mahindra & Mahindra Financial Services Ltd.
Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India

Tel: +91 22 66526000
Fax. +91 22 24984170
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30th March, 2021

The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Scrip Code : 532720

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

Scrip Code : M&MFIN

Dear Sirs,

Sub: Disclosure under Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

We refer to our letter dated 20th August, 2019 (enclosed herewith as "Annexure I"), informing that the Company had executed a "Share Subscription, Share Purchase and Shareholders' Agreement" ("Agreement") with Ideal Finance Limited (Sri Lanka) ["Ideal Finance"] and its existing Shareholders (the Company, Ideal Finance & its shareholders together referred as "Parties") to subscribe/acquire up to 58.20% of the Equity Share Capital of Ideal Finance, in one or more tranches, for an amount not exceeding LKR 200.30 crores by March, 2021.

Pursuant to the aforesaid Agreement, the Company has, as on date, acquired 38.20% of the Equity Share Capital of Ideal Finance and the third and final tranche for acquisition of shares from existing investors is due by 31st March, 2021.

Due to the COVID-19 pandemic which has disrupted the business environment in both India and Sri Lanka, the Parties have mutually agreed to extend the date of completion of the aforesaid acquisition of shares with an intention to complete the same, latest by 30th September, 2021, subject to necessary regulatory approvals. Accordingly, the Parties will shortly be executing an addendum to the Agreement in this regard.

Mahindra & Mahindra Financial Services Limited
Mumbai

The other details of the Acquisition as required under Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 has already been disclosed in "Annexure A" of our letter dated 20th August, 2019.

Kindly take the same on record.

This intimation is also being uploaded on the Company's website at https://www.mahindrafinance.com.

Thanking you,

Yours Faithfully,
For Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Mahindra & Mahindra Financial Services Limited Mumbai

Encl: a/a

Annexure I

Mahindra FINANCE

Mahindra & Mahindra Financial Services Ltd.
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Dr. G. M. Bhosale Marg, Worli,
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20th August, 2019

The General Manager-Department of
Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code : 532720

The Manager-Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.
Scrip Code : M&MFIN

Dear Sirs,

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

Pursuant to the provisions of Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read together with Para A of Part A of Schedule III of the Listing Regulations, we hereby inform you that the Company has signed a "Share Subscription, Share Purchase and Shareholders' Agreement" with Ideal Finance Limited (Sri Lanka) ["Ideal Finance"] and its existing Shareholders and has agreed to subscribe/acquire up to 58.20% of the Equity Share Capital of Ideal Finance, in one or more tranches, for an amount not exceeding LKR 200.30 crores. Upon acquisition of the above stake, Ideal Finance will become a subsidiary of the Company.

Enclosed please find a Press Release issued in this regard.

The details as required under the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are given in "Annexure A" to this letter.

This intimation is also being uploaded on the Company's website at https://www.mahindrafinance.com.

Kindly take the same on record.

Thanking you,

Yours Faithfully,
Mahindra & Mahindra Financial Services Limited

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl.: As above

Mahindra Financial Services Ltd. Mumbai

Annexure A

Acquisition (including agreement to acquire)			
Sr. No.	**Requirements of Disclosure**		**Details**
a.	Name of the target entity, details in brief such as size, turnover etc.	:	The Company today has entered into a "Share Subscription, Share Purchase and Shareholders' Agreement" with Ideal Finance Limited (Sri Lanka) ["Ideal Finance"] and its existing Shareholders and approved the investment of an amount not exceeding LKR 200.30 crores in the aggregate, by way of subscribing/acquiring up to 58.20% of the Equity Share Capital of Ideal Finance, in one or more tranches. Upon acquisition of the above stake, Ideal Finance will become a subsidiary of the Company. **Authorised Share Capital of Ideal Finance:** Not Applicable as per the new Companies Act No. 07 of 2007, Sri Lanka; **Paid-up Share Capital of Ideal Finance:** LKR 808,247,125 **Size/Turnover:** LKR 777,461,473 (as on 31st March, 2019).
b.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	:	This is not a Related Party Transaction for the Company.
c.	Industry to which the entity being acquired belongs	:	Financial Services.

Mahindra Financial Services Limited Mumbai

d.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company)	:	Provide Loans, Financial Products/Services.
e.	Brief details of any governmental or regulatory approvals required for the acquisition	:	The Company has received the requisite approval from the Reserve Bank of India, for the proposed investment in Ideal Finance.
f.	Indicative time period for completion of the acquisition	:	March, 2021.
g.	Nature of consideration - whether cash consideration or share swap and details of the same	:	The consideration for subscription/acquisition of shares, as mentioned, would be paid in cash.
h.	Cost of acquisition or the price at which the shares are acquired;	:	The Company's investment in Ideal Finance shall not be more than LKR 200.30 crores.
i.	Percentage of shareholding / control acquired and / or number of shares acquired	:	The Company would subscribe/acquire up to 58.20% of the Equity Share Capital of Ideal Finance.
j.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	:	Ideal Finance is a Registered Finance Company coming under the aegis of the Central Bank of Sri Lanka. Through a wide and expansive financial services and product portfolio encompassing micro and SME financing, margin trading, investment savings, securitized notes, leasing and hire purchase, Ideal Finance aims to create the apt milieu in sustainable financial development. Date of incorporation: 12th March, 2012

Mahindra Financial Services Limited Mumbai

			Turnover for last 3 years: **Turnover for F.Y.** / **Amount** F.Y. 2018-2019 — LKR 777,461,473 F.Y. 2017-2018 — LKR 630,995,212 F.Y. 2016-2017 — LKR 390,805,849 Country in which the acquired entity has presence: **Sri Lanka**

For Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Mahindra & Mahindra Financial Services Limited Mumbai

Mahindra FINANCE

IDEAL Finance

PRESS RELEASE

Mahindra Finance and Ideal Finance form NBFI Joint Venture in Sri Lanka

- Mahindra Finance will invest LKR 2 billion until March 2021 for up to 58.2% stake in Ideal Finance.
- The joint venture will capitalize on Mahindra Finance's 25-year expertise in the financial services domain and Ideal Finance's domestic market knowledge to build a market leading financial services business in Sri Lanka.
- The strategic investment in Ideal Finance is a significant step in Mahindra Finance's global expansion strategy.

Colombo / Mumbai, August 20, 2019: Mahindra & Mahindra Financial Services Ltd. (Mahindra Finance), India's leading NBFC (Non-Banking Finance Company), focused on the rural and semi-urban markets, has entered into a joint venture with Ideal Finance Ltd., a fully owned subsidiary of the leading Sri Lankan conglomerate, Ideal Group. Mahindra Finance will invest LKR 2 billion until March 2021 for up to 58.2% stake in Ideal Finance.

The joint venture will capitalize on Mahindra Finance's 25-year expertise in the financial services domain and Ideal Finance's domestic market knowledge to build a leading financial services business in Sri Lanka.

Mahindra Finance, India's leading NBFC focused on rural and semi-urban markets, has been looking at expanding its market overseas as part of its global growth strategy. Sri Lanka, with its cultural and geographical similarity to India and its vibrant financial services market, emerged as the first choice. With this joint venture Mahindra Finance aims to replicate in Sri Lanka, its successful, socially inclusive business model. The Company has created unique products designed around the evolving needs of the customer, and delivers these through a wide network of branches and the optimum use of technology. Mahindra Finance has fueled the entrepreneurial aspirations of over 6.2 million customers in over 370,000 villages in India, and manages an AUM of over USD 10 Billion.

Ideal Finance Ltd. (IFL), a non-banking financial Institution registered with Central Bank of Sri Lanka commenced operations in March, 2012 with a clear focus on rural and semi-urban sector. Its lending portfolio consists of commercial trucks, motor cars, three wheelers, two wheelers, gold loans and personal loans, reflecting the representation of the market segment focused on by IFL. A unique feature of IFL is that as a financial institution it has grown over the past seven years with a quality lending portfolio and an annual sustainable growth in profitability. IFL has an asset base of LKR 4.4 billion and an equity base of LKR 1.1 billion. It has ten branches, of which nine are outside the western province located in Jaffna, Anuradhapura, Kurunegala, Bandarawela, Embilipitiya, Moneragala, Elpitiyia, Matara & Kandy. Its current staff strength is 142, a majority of which are based in the branches.

Mr. Ramesh Iyer, Vice-Chairman & Managing Director, Mahindra Finance, said "Mahindra Finance, with its strong financial services expertise and innovative products has added value to the lives of millions of customers both in India and in a developed market like the US. We believe that the Sri Lankan market holds great potential for growth. Ideal Finance with its knowledge, highly experienced team, and widespread network is the right partner to help us create a leading financial services company in Sri Lanka. We see a strong, long term growth opportunity in this market and are committed to bringing in the required capital and expertise to fuel this growth."

Mr. Nalin Welgama, Chairman, Ideal Finance Ltd., said, "At a time where NBFIs are pressured by low economic growth and flagging vehicle sales, I welcome the timely entry of Mahindra Finance to Sri Lanka. They bring with them most invaluable sector exposure, vision and life blood in terms of capital infusion to Ideal Finance. All NBFIs are required to have LKR 2.5 billion in core capital by 1st January 2021. No doubt Ideal Finance shall be elevated to a Tier 1 category with this partnership in a short span of time. Ideal Group are proud to be associated as the partner of the Mahindra Group in Sri Lanka in both the auto sector and now the financial services sector.

Mahindra FINANCE

IDEAL Finance

Mr. V. Ravi, Executive Director & Chief Financial Officer, Mahindra Finance, said "The foundations of the financial services business are trust and transparency. The Mahindra Group is known for its high standards of governance. I am certain that together Ideal Finance and Mahindra Finance will build a leading financial services business, which will be a gold standard for best governance in the NBFI industry."

Mr. Aravinda De Silva, Deputy Chairman, Ideal Group, said, "Ideal Finance is a company which we have nurtured and developed over the past seven years with a strong asset base, profitability, culture and a management team. Today, with the partnership with Mahindra Finance we will begin our journey towards maturity, innovation, market leadership and above all, serving our customers with good governance and best practices in the industry. We believe this partnership will be instrumental in bringing a new dimension to the Sri Lankan NBFI sector which is yearning for consolidation, technology and governance for the past two decades."

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has over 6.2 Million customers and has an AUM of over USD 10 Billion. The Company is a leading vehicle and tractor financier, provides loans to SMEs and also offers fixed deposits to public. The Company has over 1,300 MMFSL offices and reaches out to customers spread over 3,70,000 villages and 7,000 towns across the country.

Mahindra Finance is the only Non-Banking Finance Company from India to be listed on the Dow Jones Sustainability Index in the Emerging Market Category. Mahindra Finance has been ranked 8th on the list of India's Best Companies to work for – 2019 and 25 Best Large Workplaces in Asia 2019 by Great Place to Work® Institute.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services. Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country. Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, acts as the Investment Manager of Mahindra Mutual Fund. The Company has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in the US.

About Ideal Finance

Ideal Finance Ltd. (IFL), a non-banking financial Institution registered with Central Bank of Sri Lanka commenced operations in March, 2012 with a clear focus on rural and semi-urban sector. Its lending portfolio consists of commercial trucks, motor cars, three wheelers, two wheelers, gold loans and personal loans, reflecting the representation of the market segment focused on by IFL. A unique feature of the company is that as a financial institution it has grown over the past seven years with a quality lending portfolio and an annual sustainable growth in profitability. IFL has an asset base of LKR 4.4 billion and an equity base of LKR 1.1 billion. It has ten branches, of which nine are outside the western province located in Jaffna, Anuradhapura, Kurunegala, Bandarawela, Embilipitiya, Moneragala, Elpitiyia, Matara & Kandy. Its current staff strength is 142, a majority of which are based in the branches.

Media Contacts:

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