

2nd December, 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.: Press Release - International Finance Corporation invests \$ 200 million in
Mahindra Finance ("the Company")**

**Ref.: Securities and Exchange Board of India (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

Please find enclosed a Press Release being furnished by International Finance Corporation and the Company, on the captioned subject.

Kindly take the same on record.

Thanking you,

Yours Faithfully,
Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a



PRESS RELEASE

IFC to Anchor \$200 Million Investment in Mahindra Finance to Boost MSME Lending

\$100 Million Earmarked for Women Entrepreneurs

New Delhi / Mumbai, India | December 02, 2019: IFC, part of the World Bank Group, has anchored an investment round of \$200 million in Mahindra & Mahindra Financial Services Ltd. (Mahindra Finance) to create a dedicated pool of financing for micro, small and medium enterprises (MSMEs) in low-income states. At least \$100 million will be earmarked for women-owned MSMEs.

IFC has invested \$75 million from its own account and is mobilizing another \$125 million as parallel loans. The \$100 million dedicated to women will be supported by blended finance from the IFC-Goldman Sachs' Women Entrepreneurs Opportunity Facility.

Mahindra Finance has further committed \$225 million to this pool.

Non-Banking Financial Companies (NBFCs) are an important source of credit for India's MSME sector. The sector feeds crucial industrial value chains and employs 124 million people, including semi-skilled and unskilled workers. MSMEs account for more than 80 percent of industrial enterprises and over 45 percent of exports. The biggest constraint they face is access to finance. An IFC study, conducted in 2018, estimates the total credit gap for MSMEs in India to be \$397.5 billion, around 15 percent of GDP. The financing gap for MSMEs is more acute in low-income states. Targeted lending to women-owned MSMEs is even less prevalent.

"To expand financial services for MSMEs, IFC has been systematically supporting India's NBFC sector," said **Hemalata Mahalingam, Manager, Financial Institutions Group, South Asia, IFC**. "Although the financing needs of rural and women-owned enterprises are not radically different, the level of financial exclusion is higher. The dedicated gender line and focus on unreached segments will contribute to addressing these gaps and demonstrate the commercial viability of investing in women and low-income groups."

Mahindra Finance provides a host of financial solutions, including vehicle, tractor and agricultural equipment financing, to rural and semi-urban customers. The company delivers these through its physical network of over 1,300 branches as well as digitally, and through rural distribution initiatives like loan melas across the country. It has fueled the entrepreneurial aspirations of more than 6.4 million customers in over 370,000 villages in India and has assets under management (AUM) of over USD 10 billion. This fresh funding will be used to further enhance credit in rural and semi-urban geographies, with customized solutions for women borrowers in low-income states.

"Mahindra Finance has been powering inclusive growth in rural communities for over 25 years. Our experience in these markets reveals that to achieve true financial inclusion, access to formal credit for financially under-served segments is a necessity. Availability of credit for income generation, especially to women and low-income households, will further accelerate financial inclusion," said **Ramesh Iyer, Vice Chairman & Managing Director, Mahindra Finance**.

IFC was one of the early institutional investors in the NBFC space and has successfully supported several asset financing NBFCs. In 2018, IFC invested an equivalent of \$100 million in Mahindra Finance to increase loans to farmers to buy tractors, commercial vehicles, and other equipment for modern farming. IFC also invested an equivalent of \$25 million in Mahindra Rural Housing Finance Ltd (MRHFL) for housing loans to the rural poor. Both Mahindra Finance and MRHFL are a part of the USD 20.7 billion Mahindra Group, whose relationship with IFC goes back to 1963.

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities where they are needed most. In fiscal year 2019, we delivered more than \$19 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

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 6.4 million customers and 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. It has over 1,300 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 Markets Category. Mahindra Finance has been ranked 8th on the list of India's Best Companies to work for in 2019, and also qualified among the 25 Best Large Workplaces in Asia 2019 compiled by Great Place to Work® Institute.

For more information, visit www.mahindrafinance.com / Twitter and Facebook: @MahindraFin

About Mahindra Group

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, speedboats, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 240,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

Media Contact information:

International Finance Corporation Tanu Chhabra Bahl Tel: +91 11 41111064 Mobile: +91 8527566005 Email: Tbahl@ifc.org	Mahindra Finance Metabelle Lobo Tel: +91 22 66526135 Mobile: +91 9769212078 Email: lobo.metabelle@mahindra.com
---	---