

30th June, 2020

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 of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015
["Listing Regulations"]**

Ref: Impact of COVID-19 on the Company

We refer to our letter dated 24th March, 2020, wherein we had intimated the Stock Exchanges regarding the temporary closure of operations of the Company across locations in India due to the lockdown declared by many of the States/Union Territories in the country, in view of the heightened concern on the spread of CoronaVirus ("COVID-19").

In addition to the above, the Company had vide its intimation dated 19th May, 2020, informed the Stock Exchanges regarding the operations gradually resuming in its offices located pan-India in a phased manner, in accordance with the directives issued by the Central, State Government and Local Administration Guidelines.

The details as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 are mentioned in Annexure I.

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: a/a

Annexure I

Sr. No.	Particulars	Information
1.	Impact of the CoVID-19 pandemic on the business; & Expected quantum of loss/damage caused:	<ul style="list-style-type: none">• The Impact of COVID-19 lead to closure of all Company's branch offices, business and recovery touch points and completely halted the field operations from last week of March 2020. Operations gradually resumed in mid-May in our offices pan-India.• The Moratorium guidelines announced by the Reserve Bank of India (RBI) led to almost 75% of our customers opting for Moratorium on their EMIs, thus impacting the Company's daily cash flow and liquidity.• The new business in April and May 2020 was substantially lower than the previous year's volumes.• The Moratorium has been extended by RBI for another 3 months from June 2020 till August 2020. However, the Company is seeing improved collections in certain regions, segments and products. The Company expects business operations to normalise only post the Moratorium period i.e. from September 2020 onwards. However, repayment from heavy commercial vehicles and aggregator taxi segments could be further delayed.• With operations resuming in the branches located in the non-containment zones in accordance with the directives issued by the Central, State Government and Local Administration Guidelines, the Company expects to see improved business volumes from June 2020 onwards. However, we expect that the overall volumes will continue to be subdued for a few more months till the onset of the festival season (starting October 2020).

2.	<ul style="list-style-type: none"> Factory/unit where the Lockdown has impacted Ability to maintain operations including the factories/ units / office spaces functioning and closed down; 	<ul style="list-style-type: none"> All our branch offices, business and recovery touch points were closed and field operations were halted from the beginning of the nationwide lockdown till mid-May. The Company and its Subsidiaries have adopted 'Work from Home' in offices located pan-India. Laptops/Digital connectivity and e-mail for remote access was granted to all concerned employees. This ensures that they are able to work from home effectively. All customers were contacted through SMS and by personal calling. Digital payment mechanism was used to enable customers to repay EMIs. Digital and online training was extended to all employees on skill set and capability building. OEMs were contacted and short term strategy was discussed. Dealer Council meetings were held by virtual means and special support packages were created for dealers. Webcast was arranged to communicate with all employees and apprise them of the current situation.
3.	Schedule, if any, for restarting the operations;	<ul style="list-style-type: none"> Most of the branches have resumed operations in accordance with the directives issued by the Central, State Government and Local Administration Guidelines. The Company has issued guidelines to all its employees with respect to health and safety of self and customers. Field work in non-containment zones has resumed.

4.	Steps taken to ensure smooth functioning of operations;	<ul style="list-style-type: none"> • All safety protocols related to Covid-19, as advised by the Government, are being implemented in our offices pan-India. • ‘Safety first’ approach adopted and all safety guidelines are issued to all employees. • The Company is taking all the necessary steps to adhere to the Standard Operating Procedure (SOP) for Social Distancing provided by the Ministry of Home Affairs and continues to work to safeguard the interests of its employees and other stakeholders in its offices. • Work from home, wherever possible continues and necessary office connectivity has been put in place. • All IT security protocols are in place and all systems are being monitored remotely. • Regular sanitization and cleaning is being done regularly in the office premises.
5.	Estimation of the future impact of COVID-19 on its operations;	<ul style="list-style-type: none"> • The Company expects business volumes and collections to be much lower in the current financial year than the previous year. • The Company expects to see an increase in digitally enabled lending and collections even in rural and semi-urban markets. • Demand and financing for Pre-Owned Vehicles and Agri Machinery (Tractors) are expected to increase.
6.	Details of impact of COVID-19 on listed entity’s -	

	i.	Capital and Financial Resources;	<ul style="list-style-type: none">• The Company maintains a very healthy capital adequacy of 19.6% as of 31st March 2020 as against a regulatory requirement of 15%.• The Company has adequate Capital and Financial Resources to run its business.• The Board of Directors of the Company has approved a proposal to issue Equity Shares on a Rights basis to its existing shareholders for an amount not exceeding Rs. 3,500 crores.• As on date, the Company is in compliance with the financial and other covenants in each of its Borrowings facilities.
	ii.	Profitability;	<ul style="list-style-type: none">• Revenue and profitability will also be impacted in line with the fall in business volumes as mentioned in Sr. No. (1) above.• The Company is unable to ascertain the impact of COVID-19 during F.Y. 2021 due to continuing uncertainty on its spread and availability of medicine/ vaccine to control the disease, and also adhering to the directives issued by the Central, State Government and Local Administration Guidelines.• The Company has initiated various cost rationalization measures and expects a benefit from the same in future.• The Company expects the performance to improve progressively in future periods after the lockdown is lifted pan-India and economic activity returns to pre-Covid levels.

iii.	Liquidity Position;	<ul style="list-style-type: none"> The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments. The Company has been able to manage its Assets & Liability mismatches inspite of offering moratorium of up to six months to around 75% of its customers. The Company has been servicing its debt obligations on a regular basis and has not requested moratorium for its loan repayments to any of its lenders till date.
iv.	Ability To Service Debt and Other Financing Arrangements;	<ul style="list-style-type: none"> The Company does not foresee any issues relating to servicing its debts or financing arrangements. Despite the near term strain on operations and cash accruals, the Company, due to its strong liquidity position, expects to continue servicing its debt obligations in a timely manner.
v.	Assets;	<ul style="list-style-type: none"> The Company has assessed the recoverability of the assets including receivables, investments, property, plant and equipment, intangible assets, goodwill and has made necessary adjustments to the carrying amounts by recognising provisions/ impairment of assets, where necessary. The Company has made adequate provisions for impairment on its loan assets using the Expected Credit Loss (ECL) model as required under IND AS - 109 considering the impact of COVID-19 during the quarter ended 31st March, 2020. The Company, going forward, will review the impairment provisions considering adequate impact of COVID-19 at the end of each quarter, till the uncertainty relating to COVID-19 exists. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy.

	vi.	Internal Financial Reporting and Control;	There is no impact of the COVID-19 situation on our internal financial controls.
	vii.	Supply Chain;	Not Applicable
	viii.	Demand For its Products/Services;	<ul style="list-style-type: none"> The Company expects a delay in the purchase of new vehicles by customers. However, the demand for Pre-owned Vehicles and Agri Machinery (tractor) may go up. Customers may expect short term credit support (personal loan) to overcome their immediate financial needs.
7.	Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;		The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.
8.	Whether loss/damage covered by insurance or not including amount;		The impact of COVID-19 is not covered under our existing Insurance policies.
9.	Other relevant material updates about the listed entity's business		The Company has been regularly updating all material information about its business to the Stock Exchanges.