

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

DISCLOSURES IN TERMS OF PART “F” OF SCHEDULE - I AND REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 (“SBEB Regulations”), FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026:

1. Relevant disclosures in terms of the ‘Guidance note on accounting for Employee Share-based payments’ issued by ICAI or ‘Indian Accounting Standard (Ind AS) 102 – Share-based Payment’ are given in note no. 35 of the ‘Notes forming part of the Standalone Financial Statements’ for the year ended 31st March 2026.
2. Diluted Earnings Per Share (“EPS”) on issue of shares pursuant to all the schemes covered under regulations is disclosed in accordance with ‘Indian Accounting Standard (Ind AS) 33 – Earnings per Share’ issued by ICAI or any other relevant accounting standards as prescribed from time to time under note no. 34 of the ‘Notes forming part of the Standalone Financial Statements’ for the year ended 31st March 2026.
3. The Company has in force the following schemes which are covered under the provisions of SBEB Regulations:
 - (i) Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Scheme – 2010 (“MMFSL ESOS – 2010”)- This Scheme is in force only to the extent of exercise of vested Options. No new stock Options are being granted under the said Scheme.
 - (ii) Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 (“MMFSL RSU Plan 2023”)
 - (iii) Mahindra & Mahindra Financial Services Limited - Subsidiaries Restricted Stock Units Plan 2026’ (“MMFSL Subsidiaries RSU Plan 2026”) - formulated and approved stock option plan during last quarter of the financial year ended 31st March 2026.

Note: The schemes mentioned in point 3(i), (ii) and (iii) are hereinafter collectively referred to as “ESOP Schemes” or “ESOS” and are administered by the Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Trust (“ESOS Trust”) through Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Trust Deed.

4. Details related to ESOS:

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees’ Stock Option Scheme – 2010 (“MMFSL ESOS – 2010”)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 (“MMFSL RSU PLAN 2023”)
(i)	Description of ESOP Schemes including general terms and conditions:		
	Type of arrangement	Employees share based payment plan administered through ESOS Trust	Employees share based payment plan administered through ESOS Trust
	Contractual life	3 years from the date of each vesting	5 years from the date of each vesting
	Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower	-
	Method of settlement	By issue of shares at exercise price	By issue of shares at exercise price
	a. Date of Shareholders’ approval	18 th September 2010	28 th July 2023
	b. Total number of options/ Restricted Stock Units (“RSUs”) approved under ESOP Schemes	82,39,464 (Adjusted for Sub-Division, transfers from MMFSL ESOS – 2005 and allotment made under Rights Issue in 2020)	59,44,320
	c. Vesting requirements	In five equal tranches of 20% each on expiry of 12 months, 24 months, 36 months, 48 months and 60 months respectively from the date of grant. RSUs shall vest not earlier than minimum vesting period of 1 (one) year and not later than the maximum vesting period of 7 (seven) years from the date of grant of RSUs, as may be determined by the Committee.	In 3 or 5 equal tranches, as applicable to respective grant on expiry of 12, 24 and 36 months (i.e. 33.33% each) or on expiry of 12, 24, 36, 48, 60 months (i.e. 20% each), up to a maximum of 7 years from the grant date RSUs shall vest not earlier than minimum vesting period of 1 (one) year and not later than the maximum vesting period of 7 (seven) years from the date of grant of RSUs, as may be determined by the Committee. The vesting of RSUs would be based on achievement of performance parameters which would include one or more of the Company performance parameters such as: a) Asset Quality b) Assets Under Management (AUM) Growth c) Cost control d) Profit growth e) Return on Assets (ROA) f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (“MMFSL ESOS – 2010”)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 (“MMFSL RSU PLAN 2023”)
	d. Exercise Price or Pricing formula:	i) At a face value of Rs.2/- per Equity Share in respect of options granted as per original scheme; ii) At Rs. 50/- per Equity Share being the Rights Issue (2020) price in respect of adjustment of options entitlement under Rights Issue.	At a face value of Rs.2/- per Equity Share in respect of RSUs granted as per scheme
	e. Maximum term of options granted:	Eight years from the date of grant with option validity of three years from the date of vesting of options under each tranche.	The Exercise Period would commence from the date of vesting of RSUs and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.
	f. Source of Shares:	Primary / fresh issue to ESOS Trust. and free and utilizable shares available with the Trust, if any, would be utilized for transfer to eligible persons on vesting and exercise of their ESOPs	Primary / fresh issue to ESOS Trust; and free and utilizable shares available with the Trust, if any, would be utilized for transfer to eligible persons on vesting and exercise of their RSUs under the MMFSL RSU Plan 2023.
	g. Variation in terms of options/RSUs:	None	None
(ii)	Method used to account for ESOS: Intrinsic or Fair Value	Fair value	Fair value
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Since the Company has calculated the employee compensation cost using the Fair Value of stock options granted under MMFSL ESOS – 2010, there is no impact of difference on profits and on EPS.	Since the Company has calculated the employee compensation cost using the Fair Value of RSUs granted under MMFSL RSU PLAN 2023, there is no impact of difference on profits and on EPS.
(iv)	Option movement during FY 2026:		
	Number of options/RSUs outstanding at the beginning of the year	1,56,627	8,07,534
	Number of options/RSUs granted during the year	Nil	10,36,734
	Number of options/RSUs forfeited/lapsed & expired during the year (including options/RSUs forfeited/lapsed & expired out of options/RSUs granted under Rights Issue)	8,532	1,21,453
	Number of options/RSUs vested during the year (including options/RSUs vested out of options/RSUs granted under Rights Issue)	Nil	1,93,284
	Number of options/RSUs exercised during the year (including options/RSUs exercised out of options/RSUs granted under Rights Issue)	84,049	1,58,489
	Number of shares arising as a result of exercise of options/RSUs (including shares arising out exercise of options/RSUs granted under Rights Issue)	84,049	1,58,489
	Money realized till date by exercise of options/RSUs (in INR), if scheme is implemented directly by the Company (including money realized in respect of exercise of options/RSUs granted under Rights Issue)	Rs. 9,78,93,498	Rs. 3,77,948
	Loan repaid by the Trust during the year from exercise price received	Nil	Nil
	Number of options/RSUs outstanding at the end of the year (including options/RSUs outstanding in respect of options/RSUs granted under Rights Issue)	64,046	15,64,326
	Number of vested options/RSUs exercisable at the end of the year	64,046	69,834
(v)	Weighted-average exercise prices and weighted-average fair values of options/RSUs shall be disclosed separately for options/RSUs whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price: Rs. 26.43 Weighted-average fair value of options exercised during the year:Rs.174.92	Weighted-average exercise price: Rs.2/- Weighted-average fair value of RSUs exercised during the year:Rs.254.72

Sr. No.	Particulars	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme – 2010 (“MMFSL ESOS – 2010”)	Mahindra & Mahindra Financial Services Limited - Restricted Stock Units Plan 2023 (“MMFSL RSU PLAN 2023”)		
(vi)	Employee wise details (name of employee, designation, number of options/RSUs granted during the year, exercise price) of options/RSUs granted to:				
	(a) senior managerial personnel (including Key Managerial Personnel)	Nil	Annexure – II		
	(b) any other employee who receives a grant in any one year of option/RSUs amounting to 5% or more of option/RSUs granted during that year	Annexure – I	Nil		
	(c) identified employees who were granted option/RSUs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil		
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options/RSUs including the following information:	There was no fresh grant of stock options to employees during the year ended 31st March 2026 as the scheme is no longer active for fresh grants.	During the year ended 31 March 2026, 10,36,734 stock options have been granted to eligible employees through 2 grants under MMFSL RSU Plan 2023. Following are the required information. 1) Grant dated July 22, 2025 2) Grant dated October 28, 2025		
	(a) the weighted-average values of share price, exercise price, expected volatility, expected option/RSUs life, expected dividends, the risk-free interest rate and any other inputs to the model	Not Applicable	Variables	Grant dated July 22, 2025	Grant dated October 28, 2025
			a) the weighted-average values of share price (per share)	Rs. 262.85	Rs. 299.10
			b) exercise price (per share)	At face value of Rs.2	At face value of Rs.2
			c) expected volatility	47.79%	34.92%
			d) expected option life	5.5 years	4.5 years
			e) expected dividends	2.47%	2.17%
			f) the risk-free interest rate	6.03%	6.11%
			g) any other inputs to the model	None	None
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise	Not Applicable	Not Applicable		
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Not Applicable	<p>The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.</p> <p>The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.</p> <p>Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.</p>		

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	(d) whether and how any other features of the option/RSUs grant were incorporated into the measurement of fair value, such as a market condition.	Not Applicable	Not Applicable
(viii)	Disclosure in respect of grants made 3 years prior to IPO under ESOP Scheme	N.A.	N.A.

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED – SUBSIDIARIES RESTRICTED STOCK UNITS PLAN 2026 (“MMFSL SUBSIDIARIES RSU PLAN 2026”)

During the current financial year, the Company has formulated a new employee stock option plan, namely, ‘Mahindra & Mahindra Financial Services Limited- Subsidiaries Restricted Stock Units Plan 2026’ (“MMFSL Subsidiaries RSU Plan 2026”) to reward the key Employees of the Subsidiary Company(ies) of the Company for their performance and motivate them to contribute to the consolidated growth and profitability of the Company, and the same was approved by the Board of Directors on January 7, 2026 and approved by the Shareholders of the Company on February 7, 2026 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. Following are the key terms and conditions governing the scheme.

Particulars	Key Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOP Trust
Exercise price	The Exercise Price shall be the face value of the Share as on date of Exercise of RSUs.
Authority and Ceiling	The maximum number of RSUs that may be granted to each Employee in aggregate shall vary depending upon the designation and the appraisal / assessment process, however, shall not exceed 30,00,000 (Thirty Lakhs) in number per eligible Employee. However, the Committee reserves the right to decide the number of RSUs to be granted and the maximum number of RSUs that can be granted to each Employee within this ceiling.
Contractual life	5 years from the date of each vesting
Vesting terms & conditions	<p>RSUs granted under the MMFSL Subsidiaries RSU Plan 2026 shall vest not earlier than minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 7 (Seven) years from the date of Grant of such RSUs, as may be determined by the Committee.</p> <p>The vesting of RSUs would be based on achievement of performance targets of the respective Subsidiaries. The Committee would lay down the performance targets for vesting of RSUs granted to employees of subsidiaries of the Company which would include one or more of the performance parameters of the subsidiary upto 100% weightage along with certain sub-weightage assigned to each of the following parameters :</p> <ul style="list-style-type: none"> a) Revenue Growth b) Market Share Growth c) Profit growth d) Cost control e) Asset quality f) Digital maturity: use of technology and data g) Environmental, Social & Governance (ESG) performance <p>Besides the Subsidiary Company’s performance parameters, vesting of RSUs may include grantee’s individual performance (upto 50% of total RSUs granted), as determined by the Committee from time to time. In such instances the indicative weightages given above would be varied with the approval of the NRC.</p> <p>Each grant shall specify a target number of RSUs; actual vesting may range from 0% to 110% based on performance achievement.</p>
Vesting Schedule	In 3 or 5 equal tranches on expiry of 12, 24 and 36 months (i.e. 33.33% each) or on expiry of 12, 24,36,48, 60 months (i.e. 20% each), up to a maximum of 7 years from the grant date
Method of settlement	By issue of shares at exercise price

Since 'MMFSL Subsidiaries RSU Plan 2026' is a newly formulated and approved stock option plan during last quarter of the financial year, there was no new grant of stock options to employees of the subsidiary company (ies) during the year.

5. Details related to Trust

The following details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all ESOP schemes

Sr. No.	Particulars	Details
1	Name of the Trust	Mahindra & Mahindra Financial Services Limited Employees' Stock Option Trust
2	Details of the Trustee(s)	1. Ms. Ketaki Suklikar 2. Mr. Dharmesh Vakharia 3. Mr. Aruna Kumar Poojary 4. Mr. Kapil Toshniwal
3	Amount of loan disbursed by Company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in Shares by the Trust

Sr. No.	Particulars	Details
a)	Number of shares held at the beginning of the year	6,68,537
b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
c)	Number of shares allotted under Rights / Bonus issue during the year	Nil
d)	Number of shares transferred to the employees / sold along with the purpose thereof; - Purpose of share transfers during the year: On account of exercise of vested stock options by eligible employees in accordance with the terms and conditions of the Company's Stock Option Schemes/Plans - MMFSL ESOS-2010 (including options exercised out of options granted under Rights Issue) and MMFSL RSU PLAN 2023.	2,42,538
e)	Number of shares held at the end of the year (including shares outstanding in respect of options granted under Rights Issue)	4,25,999

(iii) In case of secondary acquisition of shares by the Trust - Not applicable

MMFSL ESOS – 2010

Names of other employees who have received grants in any one year of options amounting to 5% or more of the options granted during the year ended March 31, 2026

There was no fresh grant of stock options to any of the employees during the year ended March 31, 2026.

The details of employees who have previously received grants in any one year of options amounting to 5% or more of the options granted during that year is given in the table below:

Names of employees	No. of options granted
Options granted during the year ended 31st March, 2018	
Mr. Sandeep Mandrekar – Chief Business Officer - Core Wheels Business	5,608

Notes:

- i) Above table includes total options granted to beneficiaries as at respective grant date for live/active grants as on reporting date.
- ii) Options enhanced by adjustment through Rights Entitlement were not considered as fresh grant of options and hence not included above.

MMFSL RSU PLAN 2023

Employee-wise details of RSUs granted to Senior Managerial Personnel (including Key Managerial Personnel) during the year i.e., FY2026:

Name & Designation	Grant dated October 28, 2025	Grant dated July 22, 2025
Mr. Raul Rebello - Managing Director & CEO (Key Managerial Personnel)	82,638	-
Mr. Pradeep Kumar Agrawal - Chief Financial Officer (Key Managerial Personnel)	40,007	-
Ms. Brijbala Batwal - Company Secretary and Compliance Officer (Key Managerial Personnel)	11,983	-
Mr. Mahesh Rajaraman - Chief Risk Officer	34,864	1,88,879
Mr. Mod Narayan Singh - Chief Compliance Officer	20,990	-
Ms. Usha Sunder - Head of Internal Audit	9,761	-
Mr. Sandeep Mandrekar - Chief Business Officer – Wheels	29,367	-
Ms. Anu Raj - Head- Marketing and Corporate Communication	18,416	-
Ms. Ketaki Suklikar - Chief Legal Officer	16,943	-
Ms. Deepa Ranjeet - Chief Digital Officer	21,418	1,88,879
Mr. Manish Sinha - Chief Human Resource Officer	32,810	-

Note: Above table includes total RSUs granted to beneficiaries as at respective grant date for live/active grants as on reporting date.