

DEBENTURE ISSUE 2026

**mahindra**  
**IDEAL FINANCE**

FOUNDATION  
LAID.  
FUTURE  
UNFOLDING.



Managers to the Issue



**PROSPECTUS**

MAHINDRA IDEAL FINANCE LIMITED



PROSPECTUS

AN INITIAL ISSUE OF UPTO SIX MILLION (6,000,000) TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED, REDEEMABLE DEBENTURES AT THE PAR VALUE OF SRI LANKA RUPEES ONE HUNDRED (LKR 100/-) EACH TO RAISE SRI LANKA RUPEES SIX HUNDRED MILLION (LKR 600,000,000/-) WITH AN OPTION TO ISSUE UP TO A FURTHER TWO MILLION (2,000,000) OF SAID DEBENTURES TO RAISE UP TO A FURTHER SRI LANKA RUPEES TWO HUNDRED MILLION (LKR 200,000,000), AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE AND WITH A FURTHER OPTION TO ISSUE UP TO A FURTHER TWO MILLION (2,000,000) OF SAID DEBENTURES TO RAISE UP TO A FURTHER SRI LANKA RUPEES TWO HUNDRED MILLION (LKR 200,000,000) AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE AND THE SECOND TRANCHE

MAXIMUM ISSUE WILL NOT EXCEED TEN MILLION (10,000,000) OF SAID DEBENTURES OF A VALUE OF NOT EXCEEDING SRI LANKA RUPEES ONE THOUSAND MILLION (LKR 1,000,000,000/-)

TO BE LISTED ON THE  
COLOMBO STOCK EXCHANGE

Rated A (Ika) by Fitch Ratings Lanka Limited

ISSUE OPENS ON

23<sup>rd</sup> March 2026

Managers to the Issue



Joint Placement Agents to the Issue



This Prospectus is dated 17<sup>th</sup> March 2026.

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, CSE assumes no responsibility for accuracy of the statements made, opinions expressed, undisclosed information, omitted statements or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of Debentures which is decided solely by the Issuer.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If any material change in the affairs of the Company occurs subsequent to the Prospectus date and before the Issue opening, same will be notified by way of a market disclosure/an addendum.

We advise you to read the content of the Prospectus carefully prior to investment.

If you are in a doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult the Manager to the Issue, your stockbroker, lawyer or any other professional advisor.

## **Responsibility for the Content of the Prospectus**

This Prospectus has been prepared with available information.

The Directors of Mahindra Ideal Finance Limited (the Company or the Issuer) have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy and completeness of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in its best judgment.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the investors based on the information contained herein. In making such investment decisions, prospective investors are advised to read the Prospectus and rely on their own examination and assessment of the Company and the terms of the Debentures issued including the risks associated.

## **Registration of the Prospectus**

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of Section 40 of the Companies Act No.7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to Section 40(1) of the Companies Act.

- a) The written consent of the Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Company.
- b) The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Company.
- c) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- e) The written consent of the Company Secretary of the Company for the inclusion of the name in the Prospectus as Company Secretary to the Company.
- f) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- g) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- h) The written consent of the Managers and Joint Placement Agents to the Issue for the inclusion of their names in the Prospectus as Managers and Joint Placement Agents to the Issue.
- i) The written consent of the Joint Placement Agents to the Issue for the inclusion of their names in the Prospectus as Joint Placement Agents to the Issue.
- j) The declaration made and subscribed to, by each of the Directors of the Company herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said Auditors and Reporting Accountants to the Issue and to the Company, Trustee to the Issue, Bankers to the Issue, Company Secretary, Managers and Joint Placement Agents to the Issue, Registrars to the Issue, Lawyers to the Issue, Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar of Companies in Sri Lanka withdrawn such consent.

### **Registration of the Prospectus in Jurisdictions Outside of Sri Lanka**

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-Resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

### **Representation**

The Debentures are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, salesperson, individual or any other outside party has been authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Company.

### **Forward Looking Statements**

Any Statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risk and uncertainties that may cause the Company’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking statements in this Prospectus, investors are advised not to place sole reliance on such statements.

## **Presentation of Currency Information and Other Numerical Data**

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” is the lawful currency of Sri Lanka. Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. All numerical figures given under Section 7.0 of the Prospectus are audited figures unless otherwise stated.

### **IMPORTANT**

**All Applicants should indicate in the Application for Debentures, their Central Depository Systems (Private) Limited (CDS) account number.**

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differs from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/ passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore, Applicant are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission made under Circular No.08/2010 dated 22<sup>nd</sup> November 2010 and Circular No.13/2010 issued by the CDS dated 30<sup>th</sup> November 2010, all Debentures are required to be directly deposited into the CDS. To facilitate compliance with this directive, all Applicant are required to indicate their CDS account number.

In line with this directive, THE DEBENTURES ALLOTTED TO AN APPLICANT WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH APPLICANT, the details of which is indicated in their Application Form. If the CDS account number indicated in the Application Form is found to be inaccurate /incorrect or there is no CDS number indicated, the Application will be rejected, and no allotments will be made. The Company may require an Applicant to provide such documentation as is reasonably necessary to satisfy itself that the investor is an Applicant.

**PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED, HOWEVER, PLEASE NOTE THAT UPON THE ALLOTMENT OF DEBENTURES UNDER THIS ISSUE, THE ALLOTTED DEBENTURES WOULD BE CREDITED TO THE APPLICANT’S CDS ACCOUNT INDICATED IN THE APPLICATION FORM.**

Applicant who wishes to open a CDS account, may do so through a Trading Participants of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus.

## ISSUE AT A GLANCE

<b>Issuer</b>	Mahindra Ideal Finance Limited																							
<b>Instrument</b>	Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Five Year (2026/2031) Debenture																							
<b>Listing</b>	The Debenture will be listed on the Colombo Stock Exchange																							
<b>Currency in which the Debentures are to be listed and traded on CSE</b>	Sri Lanka Rupees (LKR)																							
<b>Number of Debentures to be Issued</b>	An initial issue of up to Six Million (6,000,000) Debentures, with an option to issue up to a further Two Million (2,000,000) of said Debentures at the discretion of the Company in the event of an oversubscription of the initial issue and with a further option to issue up to a further Two Million (2,000,000) of said Debentures at the discretion of the Company in the event of an oversubscription of the initial issue and the second tranche.																							
<b>Amount to be Raised</b>	A sum of up to Sri Lanka Rupees Six Hundred Million (LKR 600,000,000/-) with an option to issue up to a further Sri Lanka Rupees Two Hundred Million (LKR 200,000,000/-) at the discretion of the Company in the event of an oversubscription of the initial issue with a further option to issue up to a further Sri Lanka Rupees Two Hundred Million (LKR 200,000,000/-) at the discretion of the Company in the event of an oversubscription of the initial issue and the second tranche.																							
<b>Entity Rating</b>	AA- (lka) by Fitch Ratings Lanka Limited																							
<b>Issue Rating</b>	A (lka) by Fitch Ratings Lanka Limited																							
<b>Issue Price</b>	Rupees One Hundred (LKR 100/-) per each Debenture																							
<b>Par Value</b>	Rupees One Hundred (LKR 100/-) per each Debenture																							
<b>Tenor</b>	Type A: 5 Years (2026/2031) Type B: 5 Years (2026/2031)																							
<b>Details of Debentures</b>	<table border="1"> <thead> <tr> <th>Deben- ture Type</th> <th>Type of Interest</th> <th>Tenure</th> <th>Interest Rate (per annum)</th> <th>Annual Effective Rate (AER)</th> <th>Interest Payment Frequency</th> </tr> </thead> <tbody> <tr> <td>Type A</td> <td>Fixed Rate</td> <td>5 years</td> <td>12.00% p. a</td> <td>12.00%</td> <td>Annually</td> </tr> <tr> <td>Type B</td> <td>Floating Rate</td> <td>5 years</td> <td>364 Days Treasury Bill rate + 3.50% p.a.</td> <td>N/A</td> <td>Semi - Annually</td> </tr> </tbody> </table>						Deben- ture Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency	Type A	Fixed Rate	5 years	12.00% p. a	12.00%	Annually	Type B	Floating Rate	5 years	364 Days Treasury Bill rate + 3.50% p.a.	N/A	Semi - Annually
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<b>364 Days Treasury Bill Rate</b>	Means in respect to Type B Debentures, the most recent 364 Days Treasury Bill rate (net of tax) published by the Central Bank of Sri Lanka on or immediately prior to an Interest Determination Date.																							

<b>Interest Determination Date</b>	Means in respect of Type B Debentures the Date of Allotment in respect of the first Interest Period and the first date of each Interest Period in respect of each subsequent Interest Period.
<b>Minimum Number of Debentures to be Subscribed</b>	The minimum subscription requirement applicable for an investor applying for Debentures shall be Rupees Ten Thousand (LKR 10,000/-).  Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).
<b>Interest Payment Date(s)</b>	For Type A Debentures: The dates on which payments of interest in respect of the Type A Debentures shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.  For Type B Debentures: The dates on which payments of interest in respect of the Type B Debentures shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.  Interest would be paid not later than three (03) Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.
<b>Interest Period</b>	For Type A Debentures : The twelve (12) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).  For Type B Debentures: The six (06) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).
<b>Mode of Payment of Principal Sum and Interest</b>	Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS where accurate bank account details are provided by the Debenture Holders subject to the prevalent limitation with regard to SLIPS and RTGS or by cheque marked "Account Payee Only".
<b>Issue Opening Date</b>	23 <sup>rd</sup> March 2026

<b>Date of Redemption/ Maturity Date</b>	The date on which Redemption of the Debentures will take place as referred to in Section 5.7 of this Prospectus.
<b>Date of Allotment</b>	The date on which the Debentures will be allotted by the Company to Applicants subscribing thereto.
<b>Closure Date of the Subscription List</b>	<p>Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 23<sup>rd</sup> March 2026 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 15<sup>th</sup> April 2026.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> <li>- The maximum of Ten Million (10,000,000) Debentures being fully subscribed; or</li> <li>- The Board of Directors of the Company decides to close the Issue upon the initial issue of Six Million (6,000,000) Debentures becoming fully subscribed.</li> <li>- or</li> <li>- The Board of Directors of the Company decides to close the Issue upon the initial issue of Six Million (6,000,000) Debentures and the second tranche of Two Million (2,000,000) Debentures becoming fully subscribed.</li> </ul> <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further up to a Two Million (2,000,000) Debentures ((having subscribed the initial issue of Six Million (6,000,000) Debenture) but subsequently decides to close the subscription list upon part of the second tranche of Two Million (2,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Bank decides to exercise the further option to issue further up to Two Million (2,000,000) Debentures (having subscribed the initial issue of Six Million (6,000,000) Debentures and the second tranche of Two Million (2,000,000) Debentures) but subsequently decides to close the subscription list upon part of the third tranche of Two Million (2,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial Six Million (6,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm (refer Section 5.2 of this Prospectus).</p>
<b>Basis of Allotment</b>	In the event of an over subscription, the Board of Directors of the Company has appointed authorised personnel to decide the basis of allotment of the Debentures in a fair and equitable manner within seven (07) Market days from the closure of the Issue.

	<p><b>The authorised personnel appointed by the Board shall reserve the right to allocate up to a maximum of 75% of the Number of Debentures to be allotted under this Prospectus on a preferential basis, to identified institutional investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future as future investors.</b></p> <p>Number of Debentures to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).</p>
<b>Maturity Date</b>	<p><b>For Type A and B:</b></p> <p>On completion of Five (5) years from the Date of Allotment, or on such earlier date on which the Debentures are redeemed or become payable in terms of the Trust Deed.</p>

## TABLE OF CONTENTS

<b>1</b>	<b>CORPORATE INFORMATION</b>	<b>1</b>
<b>2</b>	<b>RELEVANT PARTIES TO THE ISSUE</b>	<b>2</b>
<b>3</b>	<b>LIST OF ABBREVIATIONS</b>	<b>4</b>
<b>4</b>	<b>GLOSSARY OF TERMS RELATED TO THE ISSUE</b>	<b>5</b>
<b>5</b>	<b>PRINCIPAL FEATURES OF THE DEBENTURES</b>	<b>9</b>
5.1	INVITATION TO SUBSCRIBE	9
5.2	SUBSCRIPTION LIST	9
5.3	TYPES OF DEBENTURES	10
5.4	OBJECTIVES OF THE DEBENTURE ISSUE AND SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE ISSUE	10
5.5	PAYMENT OF INTEREST	13
5.6	APPLICATION OF TAX ON INTEREST PAYMENTS	13
5.7	REDEMPTION OF DEBENTURES	14
5.8	PAYMENT METHOD	14
5.9	TRUSTEE TO THE ISSUE	14
5.10	RATING OF THE DEBENTURE	15
5.11	RIGHTS AND OBLIGATIONS OF THE DEBENTURE HOLDERS	15
5.12	BENEFITS OF INVESTING IN DEBENTURES	16
5.13	RISKS INVOLVED IN INVESTING IN DEBENTURES	16
5.14	TRANSFER OF DEBENTURES	17
5.15	LISTING	18
5.16	COST OF THE ISSUE	18
5.17	BROKERAGE FEE	18
5.18	UNDERWRITING	19
5.19	INSPECTION OF DOCUMENTS	19
5.20	PROSPECTUS AND APPLICATION FORMS	19
<b>6</b>	<b>PROCEDURE FOR APPLICATION</b>	<b>20</b>
6.1	ELIGIBLE APPLICANTS	20
6.2	HOW TO APPLY	20
6.3	NUMBER OF DEBENTURES TO BE SUBSCRIBED	23
6.4	MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS	24
6.5	REJECTION OF APPLICATIONS	26
6.6	BANKING OF PAYMENTS	26
6.7	BASIS OF ALLOTMENT OF DEBENTURES	27
6.8	REFUNDS	27
6.9	CDS ACCOUNTS AND SECONDARY MARKET TRADING	28
<b>7</b>	<b>THE COMPANY</b>	<b>29</b>
7.1	OVERVIEW	29
7.2	GROUP STRUCTURE	29
7.3	FINANCIAL YEAR	29
7.4	STATED CAPITAL	30
7.5	MAJOR SHAREHOLDERS AS AT 31 <sup>st</sup> DECEMBER 2025	30
7.6	DETAILS OF OTHER DEBT SECURITIES IN ISSUE	30
7.7	PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE COMPANY	30

7.8	DEBT SERVICING DETAILS OF THE COMPANY .....	31
7.9	CONTINGENT LIABILITIES OF THE COMPANY .....	31
7.10	LITIGATION AND DISPUTES .....	31
7.11	KEY FINANCIAL RATIOS .....	32
7.12	TAXATION .....	32
7.13	FUTURE STRATEGIES, ASSUMPTIONS ON WHICH FUTURE STRATEGIES ARE BASED AND RISKS ASSOCIATED WITH SUCH FUTURE STRATEGIES .....	33
7.14	FINANCIAL STATEMENTS & FINANCIAL SUMMARY .....	35
7.15	DISCLOSURES RELATED TO THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 <sup>st</sup> MARCH 2025.....	35
<b>8</b>	<b>BOARD OF DIRECTORS.....</b>	<b>37</b>
8.1	DETAILS OF THE DIRECTORS .....	37
8.2	PROFILE OF THE BOARD OF DIRECTORS .....	37
	OTHER DIRECTORSHIPS OF THE DIRECTORS OF THE COMPANY.....	42
8.3	DIRECTORS' INTEREST IN ANY ASSETS ACQUIRED, DISPOSED OR LEASED BY THE ENTITY .....	44
8.4	DIRECTORS' INTEREST IN ANY MATERIAL CONTRACTS .....	44
8.5	STATEMENT BY THE BOARD OF DIRECTORS .....	45
8.6	BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE .....	45
8.7	BOARD NOMINATION AND GOVERNANCE COMMITTEE.....	46
8.8	HUMAN RESOURCE AND REMUNERATION COMMITTEE .....	46
8.9	BOARD AUDIT COMMITTEE .....	47
8.10	BOARD INTEGRATED RISK MANAGEMENT COMMITTEE .....	48
8.11	PROFILE OF THE SENIOR MANAGEMENT .....	49
8.12	STATEMENT BY THE CEO .....	52
8.13	DETAILS OF ANY CONFLICT OF INTEREST.....	52
8.14	DISCLOSURE OF POLICIES .....	52
<b>9</b>	<b>STATUTORY DECLARATIONS .....</b>	<b>53</b>
9.1	STATUTORY DECLARATION BY THE DIRECTORS.....	53
9.2	STATUTORY DECLARATION BY THE MANAGERS AND JOINT PLACEMENT AGENTS TO THE ISSUE..	54
<b>10</b>	<b>FINANCIAL INFORMATION.....</b>	<b>55</b>
10.1	ACCOUNTANTS' REPORT AND FIVE-YEAR SUMMARY OF FINANCIAL STATEMENTS .....	55
	<b>ANNEXURE I - COPY OF THE RATING CERTIFICATE .....</b>	<b>62</b>
	<b>ANNEXURE II - COLLECTION POINTS .....</b>	<b>70</b>
	<b>ANNEXURE III - CUSTODIAN BANKS.....</b>	<b>74</b>
	<b>ANNEXURE IV – FATCA DECLARATION .....</b>	<b>75</b>



## 1 CORPORATE INFORMATION

<b>Name of the Company/Issuer</b>	Mahindra Ideal Finance Limited	
<b>Legal Status</b>	The Company was incorporated as a limited liability company on 24th January 2012 under the Companies Act No.07 of 2007. A Finance Company registered under the Finance Companies Act No. 42 of 2011. A registered Finance Leasing establishment in terms of Finance Leasing Act No. 56 of 2000.	
<b>Regulatory License</b>	The Company operates under the authority of the license issued by Monetary Board of Central Bank of Sri Lanka. The license issued is a continuous license and does not have an expiry date. However, the licenses should be renewed annually by the payment of a license fee. The Company has paid the annual license fee up to date.	
<b>Company Number</b>	PB 4963	
<b>Place of Incorporation</b>	Colombo, Sri Lanka	
<b>Registered Address</b>	Mahindra Ideal Finance Limited No 299, Dr. Colvin R De Silva Mawatha, (Union Place) Colombo 02. Tel: +94 11 239 6060 / Fax: +94 11 239 6757	
<b>Company Secretary</b>	Ms. Sonali Niranjala Srikrishnarajah Dunuwille Mahindra Ideal Finance Limited No 299, Dr. Colvin R De Silva Mawatha, (Union Place) Colombo 02. Tel: +94 112 010 704	
<b>Rating Agency</b>	Fitch Ratings Lanka Limited 145 Kynsey Road, Colombo 08. Tel: +94 114 500 099	
<b>Auditors</b>	BDO Partners, Chartered Accountants, Charter House, 65/2 Sir Chittampalam A Gardiner Mawatha, Colombo 02. Tel: +94 112 421 878/79/70	
<b>Board of Directors</b>	Mr. Wijesinghe Arachchilage Thilan Manjith Wijesinghe	Chairman (Independent Non-Executive)
	Mr. Don Tiburtius Sujeewa Handapangoda Mudalige	Independent Non-Executive Director
	Mr. Mufaddal Abbas Choonia	Managing Director / CEO
	Mr. Raul Ignatius Rebello	Non- Executive / Non-Independent Director
	Mr. Mangalanath Wickramanayake Karunaratne	Independent Non-Executive Director
	Ms. Nimisha Welgama	Non-Executive Non-Independent Director
	Ms. Priyangi Anushka Wijenayake	Non-Executive Non-Independent Director

## 2 RELEVANT PARTIES TO THE ISSUE

<b>Managers and Joint Placement Agents to the Issue</b>	<p>NDB Investment Bank Limited Level 1, NDB Capital Building No. 135, Bauddhaloka Mawatha, Colombo 04.</p> <p>Tel: + 94 11 2 300 385-90 Fax: +94 11 2 300 393</p>
<b>Lawyers to the Issue</b>	<p>Nithya Partners No. 97A, Galle Road, Colombo 03.</p> <p>Tel: +94 11 4 712 625 Fax: +94 11 2 328 817</p>
<b>Registrars to the Issue</b>	<p>S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03, Sri Lanka.</p> <p>Tel: +94 11 2 573 894 Fax: +94 11 2 573 609</p>
<b>Trustee to the Issue</b>	<p>National Development Bank PLC No. 40, Navam Mawatha, Colombo 02</p> <p>Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262</p>
<b>Company Secretary</b>	<p>Ms. Sonali Niranjala Srikrishnarajah Dunuwille Mahindra Ideal Finance Limited No 299, Dr. Colvin R De Silva Mawatha, (Union Place) Colombo 02.</p> <p>Tel: +94 112 010 704</p>
<b>Auditors and Reporting Accountants</b>	<p>BDO Partners, Chartered Accountants, Charter House, 65/2 Sir Chittampalam A Gardiner Mawatha, Colombo 02.</p> <p>Tel: +94 112 421 878/79/70</p>
<b>Rating Agency to the Issue</b>	<p>Fitch Ratings Lanka Limited 145 Kynsey Road, Colombo 08.</p> <p>Tel: +94 114 500 099</p>

<b>Bankers to the Issue</b>	<p>National Development Bank PLC No. 40, Navam Mawatha, Colombo 02.</p> <p>Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262</p>
<b>Joint Placement Agent to the Issue</b>	<p>Bank of Ceylon Investment Banking Division 7<sup>th</sup> Floor, BOC Head Office Colombo 01</p> <p>Tel: +94 112 203 640 Fax: +94 112 346 842</p>

### 3 LIST OF ABBREVIATIONS

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<b>AER</b>	Annual Effective Rate
<b>AI</b>	Artificial Intelligence
<b>CBSL</b>	the Central Bank of Sri Lanka
<b>CDS</b>	Central Depository Systems (Private) Limited
<b>CEFTS</b>	Common Electronic Fund Transfer Switch
<b>CSE</b>	the Colombo Stock Exchange
<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>FX</b>	Foreign Exchange
<b>FY</b>	Financial Year
<b>IIA</b>	Inward Investment Account
<b>Issuer/Company</b>	Mahindra Ideal Finance Limited
<b>ML</b>	Machine Learning
<b>MSME</b>	Micro, Small, and Medium Enterprises
<b>NBFI</b>	Non-Banking Financial Institution
<b>NIC</b>	National Identity Card
<b>POA</b>	Power of Attorney
<b>PPP</b>	Public–Private Partnership transaction
<b>RTGS</b>	Real Time Gross Settlement
<b>SEC</b>	Securities and Exchange Commission of Sri Lanka
<b>SLIPS</b>	Sri Lanka Inter Bank Payment System
<b>SME</b>	Small and Medium Enterprises
<b>UID</b>	Unique Identification

#### 4 GLOSSARY OF TERMS RELATED TO THE ISSUE

<b>Applicant</b>	Any person identified as an investor, who submits an Application Form under this Prospectus.
<b>Application Form/Application</b>	The Application Form that constitutes part of this Prospectus through which an Applicant may apply for the Debentures in Issue.
<b>Borrower(s)</b>	The entity/person who the Debenture Proceeds will be lent to.
<b>Company/ Issuer</b>	Mahindra Ideal Finance Limited.
<b>Closure Date</b>	<p>Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 23<sup>rd</sup> March 2026 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 15<sup>th</sup> April 2026.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> <li>- The maximum of Ten Million (10,000,000) Debentures being fully subscribed; or</li> <li>- The Board of Directors of the Company decides to close the Issue upon the initial issue of Six Million (6,000,000) Debentures becoming fully subscribed. or</li> <li>- The Board of Directors of the Company decides to close the Issue upon the initial issue of Six Million (6,000,000) Debentures and the second tranche of Two Million (2,000,000) Debentures becoming fully subscribed.</li> </ul> <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further up to a Two Million (2,000,000) Debentures ((having subscribed the initial issue of Six Million (6,000,000) Debenture) but subsequently decides to close the subscription list upon part of the second tranche of Two Million (2,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Bank decides to exercise the further option to issue further up to Two Million (2,000,000) Debentures (having subscribed the initial issue of Six Million (6,000,000) Debentures and the second tranche of Two Million (2,000,000) Debentures) but subsequently decides to close the subscription list upon part of the third tranche of Two Million (2,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.</p>

	In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the Six Million (6,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).
<b>Date of Allotment</b>	The date on which the Debentures will be allotted by the Company to Applicants subscribing thereto.
<b>Date of Redemption</b>	The date on which Redemption of the Debentures will take place as referred to in Section 5.7 of this Prospectus.
<b>364 Days Treasury Bill Rate</b>	Means in respect to Type B Debentures, the most recent 364 Days Treasury Bill rate (net of tax) published by the Central Bank of Sri Lanka on or immediately prior to an Interest Determination Date.
<b>Debentures</b>	Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debenture Issue
<b>Debenture Holder(s)</b>	Any person who is for the time being the holder of the Debentures and includes his/her respective successors in title.
<b>Entitlement Date</b>	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Company /in whose name the Debentures are registered in the Debenture Holders' register of the Company (where applicable), in order to qualify for the payment of any interest or any Redemption proceeds.
<b>Interest Determination Date</b>	Means in respect of Type B Debentures the Date of Allotment in respect of the first Interest Period and the first date of each Interest Period in respect of each subsequent Interest Period
<b>Interest Payment Date(s)</b>	<p>For Type A Debenture: The dates on which payments of interest in respect of the Type A Debentures shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>For Type B Debentures: The dates on which payments of interest in respect of the Type B Debentures shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid not later than three (03) Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>

<b>Interest Period</b>	<p>For Type A Debentures: The twelve (12) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p> <p>For Type B Debentures: The six (06) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
<b>Issue</b>	The offer of Debentures to Investors pursuant to this Prospectus.
<b>Issue Price</b>	Rupees One Hundred (LKR 100/-) per each Debenture.
<b>Market Day</b>	Any day on which trading takes place at the CSE.
<b>Non-Resident(s)</b>	Foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.
<b>Par Value</b>	LKR 100/- per each Debenture.
<b>Principal Sum</b>	The product of the number of Debentures allotted and the Par Value.
<b>Prospectus</b>	This prospectus dated 17 <sup>th</sup> March 2026 issued by Mahindra Ideal Finance Limited.
<b>Redemption</b>	Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a Debenture to a Debenture Holder by the Company.
<b>Registered Address</b>	When used in relation to a Debenture Holder means the address provided by the Debenture Holders to the CDS.
<b>Subordinated</b>	Means the claims of the Bondholders shall in the event of winding up of the Company rank after all the claims of depositors and secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company, but shall rank pari passu with other subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary and preference shareholder/s of the Company.
<b>Tier 2</b>	Tier 2 Capital includes qualifying Tier 2 capital instruments, revaluation gains approved by CBSL and general loan loss provision of the Company.

<b>Trustee</b>	National Development Bank PLC.
<b>Trust Deed</b>	Trust Deed executed between the Company and National Development Bank PLC on 26 <sup>th</sup> February 2026.
<b>Unsecured</b>	Repayment of the Principal Sum and Payment of Interest on the Debentures are not secured by charge on any assets of the Issuer.
<b>Working Day</b>	A day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.

## 5 PRINCIPAL FEATURES OF THE DEBENTURES

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### 5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Mahindra Ideal Finance Limited (hereinafter referred to as the “Board”) at the Board Meeting held on 29<sup>th</sup> August 2025 and 30<sup>th</sup> January 2026 resolved to raise a sum of Rupees One Thousand Million (LKR 1,000,000,000/-) through an initial issue to raise a sum of Rupees Six Hundred Million (LKR 600,000,000/-) by an issue of up to Six Million (6,000,000) Debentures each with a Par Value of LKR 100/- with the option to raise a further sum of Rupees Two Hundred Million (LKR 200,000,000/-) by an issue of a further Two Million (2,000,000) Debentures in the event of an over subscription of the initial issue and with a further option to raise a further sum of Rupees Two Hundred Million (LKR 200,000,000/-) by an issue of a further Two Million (2,000,000) Debentures in the event of an over subscription of the initial issue and the second tranche.

As such a maximum amount of Rupees One Thousand Million (LKR 1,000,000,000) would be raised by the issue of a maximum of Ten Million (10,000,000) Debenture each with the Par Value of LKR 100/.

The issue comprises a maximum of Ten Million (10,000,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures.

The rights of the Debenture Holders with respect to payment of the Principal Sum and accrued interest due thereon upon in the event of winding up of the Company rank after all the claims of depositors and secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company, but shall rank *pari passu* with other subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the preference and ordinary shareholder/s of the Company.

It is the intention of the Company to list the Debentures on the Colombo Stock Exchange. The CSE has given its in principle approval for the listing of the Debentures on the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules.

Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures issued under the Prospectus are not subject to an early redemption or have a “convertible option”. However, Debentures shall become immediately payable at the option of the Trustee on the occurrence of an event of default as specified in Clause 10 of the Trust Deed. This Debenture is not collateralized by any asset of the Company.

### 5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 23<sup>rd</sup> March 2026 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 15<sup>th</sup> April 2026.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:

- The maximum of Ten Million (10,000,000) Debentures being fully subscribed; or
- The Board of Directors of the Company decides to close the Issue upon the initial issue of Six Million (6,000,000) Debentures being fully subscribed; or
- The Board of Directors of the Company decided to close the Issue upon the initial issue of Six Million (6,000,000) Debentures and the second tranche of Two Million (2,000,000) Debentures becoming fully subscribed.

In the event the Board of Directors of the Company decides to exercise the option to issue further up to Two Million (2,000,000) Debentures (having subscribed the initial issue of Six Million (6,000,000) Debentures but subsequently decides to close the subscription list upon part of the second tranche of Two Million (2,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.

In the event the Board of Directors of the Company decides to exercise the further option to issue further up to Two Million (2,000,000) Debentures (having subscribed the initial issue of Six Million (6,000,000) Debentures and the second tranche of Two Million (2,000,000) Debentures) but subsequently decides to close the subscription list upon part of the third tranche of Two Million (2,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.

In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the Ten Million (10,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made and subscription list will be closed on the following Market Day at 4.30 p.m.

### 5.3 TYPES OF DEBENTURES

The Debenture Issue comprises of Debentures of Type A and Type B that will carry rates of interest as described below:

Type of Debentures	Interest Rate Basis	Tenure	Issue Price per Debenture (LKR)	Description
Type A	Fixed	5 Years	100	12.00% p.a. payable annually (AER 12.00%)
Type B	Floating	5 Years	100	364 Days Treasury Bill rate + 3.50% p.a. payable semi-annually

Each of the Type A and Type B Debentures shall rank equal and pari passu other than with respect to the Rate of Interest, AER and interest payment frequency.

The Interest Determination Date pertaining to the Type B Debentures shall be the Date of Allotment in respect of the first Interest Period and the first date of each Interest Period in respect of each subsequent Interest Period.

### 5.4 OBJECTIVES OF THE DEBENTURE ISSUE AND SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE ISSUE

The Company proposes to utilise the entirety of the funds raised through this Issue for the purpose of achieving the following objectives;

#### a. Strengthen the Tier II Capital Base and ensure compliance with the Capital Adequacy Ratio (CAR) requirements

Funds raised from this debenture issue will be utilized to improve and strengthen Tier II capital base of the Company in alignment with its overall capital management strategy. The funds raised will contribute to enhancing the Company's capital structure and supporting future business growth, while ensuring continued compliance with the Capital Adequacy Requirements stipulated by the Central Bank of Sri Lanka (CBSL).

As at 31st December 2025, the Company was in compliance with the minimum capital adequacy requirements mandated by CBSL, maintaining a Tier I Capital Adequacy Ratio of 16.52 % and a Total Capital Adequacy Ratio of 16.68%. Post-issuance of the Debentures, the Company’s Total Capital Adequacy Ratio is expected to improve further, thereby strengthening its overall capital position.

The applicable Capital Adequacy Requirements, compliance levels, and anticipated post-issue improvements are as follows:

The Capital Adequacy Requirements (as per the Finance Business Act. (Capital Adequacy Requirements) Direction No. 03 of 2018)	The level of compliance by the Company as at 31 <sup>st</sup> December 2025 (latest quarter)	The level of Compliance post issue		
		Issue Size	LKR 600 Mn	LKR 800 Mn
Tier I – 8.5%	16.52%	16.52%	16.52%	16.52%
Total – 12.5%	16.68%	19.70%	20.71%	21.71%

The Company is required to obtain approval from CBSL to classify the Debentures as Tier II capital. Since the Debentures have a maturity period exceeding one year and are intended to be listed on the Colombo Stock Exchange (CSE), the Company is also required to obtain CBSL approval for the listing. The Company has obtained the approval from CBSL for the Issue and listing of Debentures for raising Tier II capital of the Company. The approval has been granted via letter dated 29<sup>th</sup> October 2025 by CBSL subject to the conditions stated therein.

The entire quantum of funds raised from the Debenture Issue will be included under the Tier II capital base of the Company upon the allotment of the Debentures.

**b. To grow the lending portfolio and facilitate future expansion of business activities of the Company**

In addition to strengthening its capital base, the Company intends to utilize the proceeds from this Debenture Issue to expand its lending portfolio, which is deployed across various lending products, in order to capitalize on future business opportunities.

Accordingly, the Company will use these funds for lending purposes in products such as vehicle leasing and loans, gold loans, business loans. The deployment of these funds is expected to occur within 6 months from the date of allotment. The expansion of the lending portfolio is projected to generate annual returns in the range of 15% to 20%, based on prevailing market interest rates.

It is important to note that the proceeds from this Debenture Issue will not be used to settle any existing borrowings. All funds raised will be exclusively directed towards business growth and the enhancement of capital adequacy.

This transaction is not classified as a “Major Transaction” under the Companies Act No. 07 of 2007; therefore, shareholder approval is not required. The Company confirms that there are no related party transactions involved in the use of proceeds as at the date of this Prospectus.

## Specific Risks Relating to Objectives of the Debenture Issue

The risk of undersubscription of the debenture issue will be greatly mitigated through appointing experienced Joint Placement Agents to the Issue, pre-marketing and building a pipeline of potential investors. The Company also enjoys access to multiple funding sources, including borrowings from financial institutions and deposits. As such the Company is able to utilize the aforementioned alternative funding sources to bridge any gaps in meeting the budgeted lending targets, in the event of an undersubscription of this Debenture Issue.

In addition, the Company does not anticipate any significant risks associated with utilizing the proceeds of the Debenture Issue for the purpose of on-lending through leases and loans, given the strong and growing demand for such financial products. During the third quarter ended December 31, 2025, the Company disbursed an average of LKR 5.18 Billion per month in lending. With the infusion of proceeds from the debenture issue, the Company expects to maintain the same level of disbursement in coming months.

Further, the Company anticipates that the proceeds will be fully utilized within 6 months from the date of allotment of the Debenture. In the event where the funds are not utilized immediately upon receipt of funds, the Company intends to invest these funds in cash equivalents, placements with banks, Treasury Bills and Fixed Deposits at the prevailing rates at the time of investments.

However, in the highly unlikely event that the Company is unable to deploy the proceeds into lending for the aforementioned objective within the aforementioned time-frame, due to unforeseen circumstances, the funds would continue to remain invested in cash equivalents, placements with banks, Treasury Bills, or Fixed Deposits, based on prevailing market rates at the time of investment, until an alternative objective is pursued. The Company undertakes that in such an unlikely scenario, it will make the necessary market announcements and disclosures (as applicable), as per the relevant CSE Listing Rules.

The utilization of the proceeds of the Debenture Issue will be disclosed in the Annual Report and the Interim Financial Statements of the Company in the following format from the Issue Opening Date and until the objectives of the Debenture issue are achieved.

Debenture Issue proceeds utilization as at (dd-mm-yyyy)

Objective Number	Objective As per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed Date of allocation as per Prospectus	Amount allocated from proceeds (LKR) (A)	% of Total Proceeds	Amount utilized in the Objectives (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (e.g.: whether lent to related parties, etc.)
1	To Expand Tier 2 Capital	An issue of LKR 1,000 Mn	Upon the allotment of the Debenture to include the amount raised via the Debenture under Tier 2 capital base					To be disclosed in the Annual Report and the Interim Financial Statements

2	To grow the lending Portfolio		Over a period of 6 months from the Date of Allotment	To be disclosed in the Annual Report and the Interim Financial Statements		
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In the event the funds raised through the Debenture Issue are fully utilized by the Company in terms of the objectives disclosed in the Prospectus between two financial periods, the Company to disclose such facts in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first as per the above template.

## 5.5 PAYMENT OF INTEREST

The Debentures will carry a fixed rate of interest as described below, payable on the respective Interest Payment Dates:

Type of Debenture	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed Rate	5 years	12.00% p.a	12.00%	Annually
Type B	Floating Rate	5 years	364 Days Treasury Bill rate + 3.50% p.a.	N/A	Semi-Annually

The interest rate has been determined giving consideration to the Mahindra Ideal Finance Limited's ratings as Issuer, the instrument rating, market conditions and features of the instrument.

Interest on the Debentures accruing on a daily basis will be paid annually as applicable from the Date of Allotment until the Date of Redemption (Interest Period is inclusive of the Date of Allotment and exclusive of the Date of Redemption) on the outstanding Principal Sum.

The interest due on the Debentures for a particular Interest Period will be calculated based on the actual number of days (irrespective of holidays) in such Interest Period (actual/actual) and will be paid not later than three (03) Working Days from each Interest Payment Date.

In order to accommodate the Debenture interest cycles in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include Debenture Holders holding Debentures in the CDS as of the Entitlement Date.

Please refer Section 5.6 for details on taxes applicable for Debentures.

## 5.6 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Debentures will be paid after deducting any taxes and charges thereon (if any) as per the applicable laws prevalent at the time of interest payment to the Debentures Holders.

## **5.7 REDEMPTION OF DEBENTURES**

Redemption of the Debentures will take place on Five (05) years from the Date of Allotment for Debentures in accordance with the provisions of the Trust Deed. The Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Debentures will be paid not later than three (03) Working Days from the Date of Redemption.

If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and avoidance of doubt it is agreed that interest shall be paid for the intervening days which are not Market Days.

These Debentures shall not be redeemed by the Company prior to maturity for any reason whatsoever except due to the occurrence of an Event of Default contemplated in Clause 10 in the Trust Deed.

## **5.8 PAYMENT METHOD**

Payment of principal and interest will be made after deducting taxes at source, (if applicable) in Sri Lanka Rupees to the registered Debenture Holders only as of the Entitlement Date. In the case of joint Debenture Holders, the payment of Principal Sum and interest will be made to the one whose name stands first in the register of Debenture Holders on the date of payment.

In the event accurate bank account details are provided to the CDS by the Debenture Holders, the payment of Principal Sum and interest shall be made to Debenture Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS (arranged only at the expense of the investor) or SLIPS. RTGS transfers however shall be accommodated only for amounts over and above the maximum value of Rupees Five Million (LKR 5,000,000/-) that can be accommodated via SLIPS transfers.

If the Debenture Holder has not provided to the CDS accurate and correct details of his/her/its/their bank account for the payment of Principal Sum and interest, such payment to the Debenture Holder will be posted to the address registered with the CDS through registered post to the Debenture Holder, by crossed cheques marked "Account Payee Only". Interest payable will be made only by cheques within three (03) Working Days from the end of each period.

It is the responsibility of the Non-Resident and Foreign Investors to ensure that their IIA through which they invest for Debenture is recorded correctly against the records in CDS to dispatch their Debenture interest payments.

## **5.9 TRUSTEE TO THE ISSUE**

Company has entered into an agreement with National Development Bank PLC who will act as Trustee to the Issue. Debenture Holders in their Application Forms for subscription will be required to authorize the Trustee, to act as the agent in entering into such deeds, writings and instruments with the Company and to act as the Agent and Trustee for the Debenture Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Debentures will be subject to the terms and conditions incorporated in the said Trust Deed.

The fee payable to the Trustee will be Sri Lanka Rupees Thirty Thousand (LKR 30,000/-) per month excluding government taxes and levies. Trustee/its directors have no conflict of interest with the Company. Trustee to the Issue will act as the Bankers to the Issue as well.

In the event the Trustee subscribes to the Debenture Issue, the Company will make an immediate announcement to the market giving out information on the number of Debentures acquired by the Trustee.

#### **5.10 RATING OF THE DEBENTURE**

Fitch Ratings Lanka Limited has assigned a credit rating of 'A (lka)' to Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures of up to Rupees One Thousand Million (LKR 1,000,000,000/-). A copy of the rating certificate is given in Annexure I of this Prospectus.

The Company's entity rating as issued by Fitch Ratings Lanka Limited is AA-(lka) as per the rating action commentary dated 28<sup>th</sup> February 2025.

The Company will undertake to keep the Trustee and the CSE informed and take steps to make an immediate market announcement on any change to the credit rating of Debentures.

#### **5.11 RIGHTS AND OBLIGATIONS OF THE DEBENTURE HOLDERS**

- a) Debenture Holders are entitled to the following rights:
- Receive the interest on the Interest Payment Dates at the interest rate set out in Section 5.5 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.7 of this Prospectus.
  - In the event of liquidation, ranking *pari passu* with other subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary and preference shareholder/s of the Company.
  - Call and attend meetings of Debenture Holders as set out in the Trust Deed.
  - Receive a copy of the Annual Report within five (05) months from the financial year end at the same time and in the same manner as an ordinary voting shareholder would receive the same.
  - The other rights of the holders of these Debenture as set out in the Trust Deed.
- b) Debenture Holders do not have the following rights:
- Attend and vote at meetings of holders of shares.
  - Share the profits of the Company.
  - Participate in any surplus in the event of liquidation.
  - Calling for Redemption before maturity, subject to the provisions stated in the Trust Deed.
- c) Obligations of the Debenture Holder:
- Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Debenture Holder shall absolve the Company from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS.
  - Provided further that the Debenture Holder shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Debenture Holders.

## 5.12 BENEFITS OF INVESTING IN DEBENTURES

- a) Provides an opportunity to diversify the investment portfolio of the Investor.
- b) Provides the Investor with a regular cash inflow of interest payments.
- c) Being listed on the CSE, the Debentures will have a secondary market thus providing the Investor with an opportunity to exit at the market price prevailing at the time of divestiture subject to market conditions.
- d) The Debentures may be used as collateral to obtain credit facilities from banks and financial institutions with the exception of the issuing Company.

## 5.13 RISKS INVOLVED IN INVESTING IN DEBENTURES

Subscribers to the Debentures could be exposed to the following risks.

### (a) Interest Rate Risk

Provided all other factors are equal, the market price of the Debentures will generally fluctuate in the opposite direction to the fluctuation in market interest rates. Thus, the interest rate risk could be identified as the reduction in the market price of Debentures resulting from a rise in interest rates. However, for Type B Debentures, the coupon rate will adjust periodically in line with market rates, thereby reducing the extent of price volatility compared to Type A Debentures.

### (b) Price Risk

Price risk is the risk arising from a change in the price/value of a Debenture from a movement in the interest rate environment. Price Risk could result in capital gains or losses to Debenture Holders depending on the direction of interest rate movement. In general, Price Risk will be more pronounced in fixed rate Debentures than in their floating rate counterparts.

### (c) Reinvestment Risk

Interest on the Debentures are payable annually. An Investor may decide to reinvest these interest payments and earn interest from that point onwards. Depending on the prevailing interest rates at the point of reinvestment, the risk of returns generated by Debenture Holders by reinvesting such interest received being higher or lower than the return offered by the Debentures is known as reinvestment risk.

### (d) Duration Risk

Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates based on the time to maturity of principal and coupon payments. The higher the duration, the greater the price volatility or duration risk, while a lower duration carries a lower risk.

### (e) Credit Risk

Credit risk is also referred to as default risk. This is the risk that the issuer of a Debenture may default, i.e. the issuer will not be able to pay interest and principal payments on a timely basis. This risk is gauged in terms of rating assigned by different rating agencies. Fitch Ratings Lanka Limited has assigned a Rating of A (lka) to these Debentures and will be periodically reviewing the same.

### (f) Liquidity Risk

Liquidity risk is associated with the ease in which an investment can be sold after the initial placement. In order to reduce the liquidity risk of the Debentures, the Company has applied for a listing of these Debentures on the CSE and has received in-principle approval for such listing whereby Debenture Holders will be able to sell the Debentures through the CSE in order to convert the Debentures to cash and exit from the investment.

Furthermore, it should be noted that the secondary debt market is not as developed as the secondary equity market in Sri Lanka.

**(g) Generic Risks**

- (i) The ability to transfer the Debentures may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Debentures:

In Sri Lanka the secondary trading activity in the corporate debt market is limited. There can be no assurance that an active secondary trading market will develop. If the Debentures are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Company.

Even if an active secondary trading market does develop, it may not be liquid and may not continue. Therefore, Investors may not be able to sell their Debentures easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the secondary market for the Debentures is limited, there may be few buyers for the Debentures and this may significantly reduce the relevant market price of the Debentures.

- (ii) Credit ratings may not reflect all risks associated with an investment in the Debentures:

A credit rating reflects a relative ranking of credit risk and does not reflect the potential impact of all risks related to the structure, market, additional factors discussed herein, and other factors that may affect the value of the Debentures.

- (iii) A Downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Debentures could cause the liquidity or market value of the Debentures to decline:

The Debentures are currently rated 'A(lka)'. Any downgrade, suspension, or withdrawal of this rating may negatively impact the market value and liquidity of the Debentures. If the rating falls below Investment Grade, the Debentures will be transferred to the Watch List of the Colombo Stock Exchange (CSE) within five market days of the downgrade announcement, as per the CSE Listing Rule 7.12.2. The Debentures will be removed from the Watch List only once the rating is upgraded back to Investment Grade and disclosed to the market. Credit ratings are not investment recommendations and may change at any time.

- (iv) Changes in law, or changes in regulatory classification may affect the rights of holders as well as the market value of the Debentures:

The regulatory regime in connection to these instruments is evolving. Changes in law may include change in statutory, tax and regulatory regimes during the life of the Debentures, which may have an adverse effect on the investment in the Debentures.

#### **5.14 TRANSFER OF DEBENTURES**

The Debentures will be transferable and transmittable in the manner set out in the Trust Deed, which is reproduced below;

- (a) These Debentures shall be freely transferable amongst Investors and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements. Furthermore, Debentures are fully paid and issued only for cash.

- (b) The Debentures shall be transferable and transmittable through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained in the Trust Deed and herein the Company may register without assuming any liability on any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE and the CDS.
- (c) In the case of death of a Debenture Holder;
  - (i) The survivor where the deceased was a joint holder; and
  - (ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognized by the Company as having any title to his/her Debentures.
- (d) Any person becoming entitled to any Debentures in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Company thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the CSE and CDS and Articles of Association of the Company.
- (e) No change of ownership in contravention to these conditions will be recognized by the Company.

#### **5.15 LISTING**

An application has been made to the CSE for permission to obtain a listing for the Debentures and the CSE has granted its approval in-principle for the same. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules. It is the intention of the Company to list the Debentures on the CSE upon the allotment thereof. However, the Debentures will be listed, only if compliant with the CSE Listing Rules, at the time of listing. Upon listing the Company will be bound by the CSE Listing Rules, CSE Trading Rules, CDS Rules and other regulations of the CSE.

The CSE however, assumes no responsibility for the correctness of the statements made, opinions expressed, reports included or omissions and undisclosed information in this Prospectus. If there is any inconsistency between the contents under the Prospectus and the CSE Listing Rules, the CSE Listing Rules will prevail. Admission to the official list is not to be taken as an indication of the merits of the Company or of its Debentures.

#### **5.16 COST OF THE ISSUE**

The Board of Directors estimates that the total cost of the Issue including fees to professionals, printing, advertising and other costs connected with the Issue will be approximately LKR 7.5 Million which would be approximately 0.75% of the amount raised if LKR 1.0 Billion is raised. Such costs will be financed by the internally generated funds of the Company.

#### **5.17 BROKERAGE FEE**

Brokerage fee of Fifteen Cents (LKR 0.15) per Debenture shall be paid in respect of the number of Debentures allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a trading participants of the CSE or any other party identified by the Company and/or Managers and Joint Placement Agents as involved in the Issue.

## **5.18 UNDERWRITING**

This Issue is not underwritten.

The offering is not conditional to any minimum amount to be raised through this Issue. In the event of an under subscription, the Company is confident that any short fall in the funds required to meet the objectives of the Issue can be financed through internally generated funds and other credit facilities that could be obtained by the Company, at its discretion depending on the situation.

## **5.19 INSPECTION OF DOCUMENTS**

Articles of Association, the Trust Deed, Auditors' Report and Audited Financial Statements for the five (05) financial years ended 31<sup>st</sup> March 2025 (i.e. the five (05) financial years immediately preceding the date of this Prospectus), Interim Financial Statements for the quarter ended 31<sup>st</sup> December 2025 and all other documents referred to in Rule 3.2.18 (a) of the CSE Listing Rules, including material contracts and management agreements entered or in the case of contracts not reduced into writing, a memorandum giving full particulars thereof by the Company if any, would be made available for inspection by the public during normal working hours, seven (07) Market Days prior to the date of opening of the subscription list at the registered office of the Company at No 299, Dr. Colvin R De Silva Mawatha, (Union Place) Colombo 02 until the Date of Redemption of the Debentures.

The Prospectus, Trust Deed and the Articles of Association of the Company, will be available on the website of the CSE, [www.cse.lk](http://www.cse.lk) and the website of the Company, [www.mahindraifl.lk](http://www.mahindraifl.lk) from seven (07) Market Days prior to the date of opening of the subscription list until the date of maturity of the Debentures as stipulated in Rule 3.2.18 (b) of the CSE Listing Rules.

Audited financial statements of Mahindra Ideal Finance Limited made up to 31<sup>st</sup> March 2025, Accountants Report and the five year summary of financial statements will be available on the website of the CSE, [www.cse.lk](http://www.cse.lk) and the website of the Company, [www.mahindraifl.lk](http://www.mahindraifl.lk).

## **5.20 PROSPECTUS AND APPLICATION FORMS**

Application Forms may be obtained free of charge from the Collection Points listed in Annexure II from at least Four (04) Market Days prior to the date of opening of the Subscription List. Soft Copies of the Prospectus and the Application Forms can also be downloaded from the websites of the CSE [www.cse.lk](http://www.cse.lk), the Company website [www.mahindraifl.lk](http://www.mahindraifl.lk) and the website of the Managers and Joint Placement Agents to the Issue, [www.ndbib.com](http://www.ndbib.com).

As part of its broader sustainable initiatives, the Company aims to reduce the environmental impact of the Debenture issue by minimizing the use of printed material. Therefore, via the letter dated 12<sup>th</sup> March 2026 a waiver was requested from the CSE for Listing Rule 2.4 (f), which requires making physical copies of the Prospectus available. Upon careful deliberation of the said request, the CSE granted the waiver. Consequently, only digital copies of the Prospectus and the Application Form will be available to Trading Participants of the Exchange and the public.

## 6 PROCEDURE FOR APPLICATION

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### 6.1 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Debentures from the following categories of Investors.

- Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- Corporate bodies and societies incorporated or established within Sri Lanka; or
- Approved Unit Trusts licensed by the SEC; or
- Approved Provident Funds and contributory pension schemes registered/incorporated/established in Sri Lanka. (In this case, Applications should be in the name of the Trustee/Board of Management in order to facilitate the opening of the CDS account.)
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- Global, regional and country funds approved by the SEC; or
- Non-residents: foreign institutional investors, corporate bodies incorporated or established outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.

Please note that Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies** will be rejected.

“Persons resident outside Sri Lanka” will have the same meaning as in the notice published under Section 31 (3) of the Foreign Exchange Act No. 12 of 2017 in Government Gazette (Extraordinary) No. 2045/56 dated 17th November 2017.

When permitting Non-Residents to invest in the Debentures, the Company will comply with the relevant Foreign Exchange Regulations including, the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Debentures of companies incorporated in Sri Lanka to persons resident outside Sri Lanka as published in the Government Gazette (Extraordinary) No. 2045/56 dated 17<sup>th</sup> November 2017.

### 6.2 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

- a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies and scanned /digitally signed copies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available on the website of the CSE, [www.cse.lk](http://www.cse.lk), the website of the Company, [www.mahindrafl.lk](http://www.mahindrafl.lk) and the website of the Managers and Joint Placement Agents to the Issue, [www.ndbib.com](http://www.ndbib.com) until the Closure Date.

The Prospectus will be made available and can be downloaded from the website of the CSE, [www.cse.lk](http://www.cse.lk), the website of the Company, [www.mahindrafl.lk](http://www.mahindrafl.lk) until the date of redemption of the Debentures and the website of the Managers and Joint Placement Agents to the Issue, [www.ndbib.com](http://www.ndbib.com) until the Closure Date.

A waiver of Rule 2.4(f) of the CSE Listing Rules, which pertains to the printing of the Prospectus, has been requested through a letter addressed to the CSE dated 12<sup>th</sup> March 2026. This request was made in line with the Company’s commitment to environmental sustainability in connection with this Issue.

The CSE has decided to grant the waiver via the letter dated 13<sup>th</sup> March 2026, allowing the Company to proceed without complying with the standard Prospectus printing requirements set out in the aforementioned rule.

**Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected.**

- b) Applicants should apply for only one type of Debentures (i.e either Debentures of Type A and Type B) under one Application Form.
- c) In the event an Applicant wishes to apply for more than one type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular type of Debenture, it will not be possible for an Applicant to switch between the types of Debentures.
- d) More than one Application submitted by an Applicant will not be accepted. If more than one Application Forms are submitted from a single Applicant, those would be construed as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications
- e) If the ownership of the Debentures is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- f) An Applicant of a joint Application will not be eligible to apply for the Debentures through a separate Application Form either individually or jointly. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favour of the first Applicant as identified in the Application Form.

The Company shall not be bound to register more than three (03) natural persons as joint holders of Debentures (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

- g) Applications by companies, corporate bodies, incorporated societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their respective common seals or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustee/board of management.
- h) All Applicants should indicate in the Application for Debentures, their CDS account number. In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

- i) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin Provider / Applicant's name" signed by the margin provider, requesting a direct deposit of the Debentures to the Applicant's margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can, apply under their own name and such Applications will not be construed as multiple Applications.

- j) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. **Original of the POA should not be attached.**

- k) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annexure IV together with the Application Form. Under the provisions of FATCA, "US Persons" include;

- US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- A lawful citizen of the U.S. (including Green card holders)
- A person residing in the U.S.
- A person who spends certain number of days in the U.S. each year
- U.S. Corporations, estates and trusts
- Any entity that has a linkage or ownership to U.S. or the U.S. territories
- Non U.S. entities that have at least one U.S. Person as a "substantial beneficial owner"

- l) Funds for the investments in Debentures and the payment for Debentures by Non-Residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) of the Non-Residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

Applications not made in line with the instructions will be rejected.

- m) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Applicants wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope Marked “ **MAHINDRA IDEAL FINANCE LIMITED - DEBENTURE ISSUE** ” on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the Issue or collection points mentioned in Annexure II of this Prospectus or sent via email to mahindradeb@ndbib.com.

Applications sent by post or courier or delivered to any collection point set out in Annexure II of this Prospectus should reach the office of the Registrar to the Issue, S S P Corporate Services (Private) Limited, 101, Inner Flower Road, Colombo 03, at least by 4.30 p.m. on the following Market Day immediately upon the Closure Date. Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date or carry a postmark dated prior to the Closure Date.

Applications delivered by hand to the Registrars or sent via email to mahindradeb@ndbib.com should reach the Registrars before 4.30 p.m. of the Closure Date of the Issue and Applications delivered by hand to the Registrars or sent via email to mahindradeb@ndbib.com after the Closure Date of the Issue will be rejected.

**Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.**

**Care must be taken to follow the instructions on the reverse of the Application Form.**

**Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.**

**PLEASE NOTE THAT ALLOTMENT OF DEBENTURES WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF THE APPLICATION.**

**Please note that upon the allotment of Debentures under this Issue, the allotted Debentures would be credited to the Applicant’s CDS account so indicated.**

**Hence, DEBENTURE CERTIFICATES SHALL NOT BE ISSUED.**

### **6.3 NUMBER OF DEBENTURES TO BE SUBSCRIBED**

Applicants may invest in the Debentures of either;

- Type A; and/or
- Type B;

subject to a minimum of One Hundred (100) Debentures Sri Lanka Rupees Ten Thousand (LKR 10,000/-) and in multiples of One Hundred (100) Debentures Sri Lanka Rupees Ten Thousand (LKR 10,000/-) thereafter.

Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lanka Rupees Ten Thousand (LKR 10,000/-).

An Applicant should apply for only one Type of Debentures under one Application Form.

#### 6.4 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

- (a) Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka or an Internal Direct Transfer, as the case may be, subject to the following:
- (b) Payments for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are acceptable;

- Bank guarantee issued by a licensed commercial bank; or
- Bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka only

However, **multiple** bank drafts/cheques will not be accepted for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are **not** acceptable:

- RTGS
- Internal Direct Transfer

- (c) Payments for Applications for values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are acceptable;

- Bank guarantee issued by a licensed commercial bank; or
- Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-; or
- RTGS / Internal Direct transfer with value on the Issue Opening Date.

**In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be accepted.**

For all the Applications Cash and SLIPS/CEFTS transfers will **NOT** be accepted as a mode of payment to ensure the accuracy of the application submission process, bank reconciliation process and timely allocation of Debentures within the given timelines.

- (d) Cheques or bank drafts should be made payable to **“MAHINDRA IDEAL FINANCE -DEBENTURE ISSUE”** and crossed **“Account Payee Only”** and must be honoured on the first presentation.
- (e) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **“MAHINDRA IDEAL FINANCE -DEBENTURE ISSUE”** in a manner acceptable to the Company and be valid for a minimum of one (01) month from the Issue Opening Date 23<sup>rd</sup> March 2026.

Applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

- (f) In case of RTGS and Internal Direct Transfers (only for application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the transfers should be made to the credit of the following bank account with value on the Issue Opening Date (i.e. the funds to be made available to the above account on the Issue Opening Date).

<b>Account Name</b>	<b>MAHINDRA IDEAL FINANCE - DEBENTURE ISSUE</b>
<b>Account Number</b>	111000375857
<b>Bank</b>	National Development Bank PLC (Bank Code - 7214)
<b>Branch</b>	Nawam Mawatha (Branch Code -001)

The Applicant should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of Debentures applied for to the credit of the above bank account and should be attached with the Application Form.

It is mandatory to provide the CDS Account Number as the transaction reference for RTGS transfers.

For RTGS transfers/ Internal Direct transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of two decimal five zero per centum (2.50%) per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers/ Internal Direct transfers are not realized before the end of the Closure Date. Furthermore, even if such RTGS transfers/ Internal Direct transfers are effected prior to the Issue Opening Date, no interest will be paid for the period prior to the Issue Opening Date.

- (g) Payment for the Debentures by Non-Residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign Exchange in that regard to licensed commercial banks.

**An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.**

- (h) In the event that cheques are not realized within one (01) Market Day of deposit, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (i) The amount payable should be calculated by multiplying the number of Debentures applied for by the Par Value Sri Lanka Rupees One Hundred (LKR 100/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS/ Internal Direct Transfer, the Application will be rejected.

- (j) All cheques/bank drafts received in respect of the Applications for Debentures will be banked commencing from the Working Day immediately following the Closure Date. Furthermore, Bank guarantees received in respect of Applications will be called on the Date of Allotment.

## **6.5 REJECTION OF APPLICATIONS**

Application Forms and the accompanying cheques/bank drafts/bank guarantees RTGS/Internal Direct Transfer, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Company.

Applications from individuals and Sri Lankans residing outside Sri Lanka who are under the age of eighteen (18) years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.

Any Application Form, which does not state a valid CDS account number, will be rejected.

Any Applicant who has applied for Debentures Type A and Type B, in a single Application Form will be rejected.

More than one Application Form submitted by an Applicant will not be accepted. If more than one Application Form is submitted by a single Applicant, those would be considered as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.

Any Application Form with more than three (03) natural persons as joint Applicants for any type of Debentures will be rejected.

Applications delivered by hand to the Registrars to the Issue or sent via email to *mahindradeb@ndbib.com* after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.

Applications delivered to any place mentioned in Annexure II should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closure Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date.

In the event that cheques are not realized within one (01) Market Day of deposit and realized after such date, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid. In the event cheques are dishonoured/returned on first presentation, such Applications will be rejected.

## **6.6 BANKING OF PAYMENTS**

All cheques or bank drafts received in respect of Applications will not be banked until the Working Day immediately after the Closure Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules. Furthermore, Bank guarantees received in respect of Applications will be called on the Date of Allotment.

## **6.7 BASIS OF ALLOTMENT OF DEBENTURES**

In the event of an over subscription, the Board of Directors of the Company has appointed authorised personnel to decide the basis of allotment in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE, within seven (07) Market Days from the Closure Date. A written confirmation informing successful Applicants of the allotment of Debentures will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

The authorised personnel appointed by the Board shall reserve the right to allocate up to a maximum of 75% of the number of Debentures to be allotted under this Issue to institutional and or identified investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future.

Number of Debentures to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).

The Company reserves the right to reject any Application or to accept any Application in part only, without assigning any reason therefor.

## **6.8 REFUNDS**

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.5 of this Prospectus; or
- the Application is accepted only in part.

The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).

If the Applicant has provided accurate and complete details of his/her/its bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment will be sent through RTGS in the event of refunds over Rupees Five Million (LKR 5,000,000/-).

If the Applicant has provided accurate and correct details of his/her bank account refunds will be made via Slips /RTGS or if the Applicant has not provided accurate and correct details of his/her bank account in the Application Form, the Company will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant. In the case of joint Applications, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

It is the responsibility of Non-Residents/Foreign Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS/RTGS transfers at the following website;

<https://www.lankapay.net/downloads/bank-branch-directory/>

Refunds on Applications rejected or partly allotted Debentures would be made within eight (08) Market Days excluding the Closure Date. Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made within this period.

#### **6.9 CDS ACCOUNTS AND SECONDARY MARKET TRADING**

Debentures allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

The Company will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Debentures.

Trading of Debentures on the secondary market will commence on or before the third (3<sup>rd</sup>) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

## 7 THE COMPANY

### 7.1 OVERVIEW

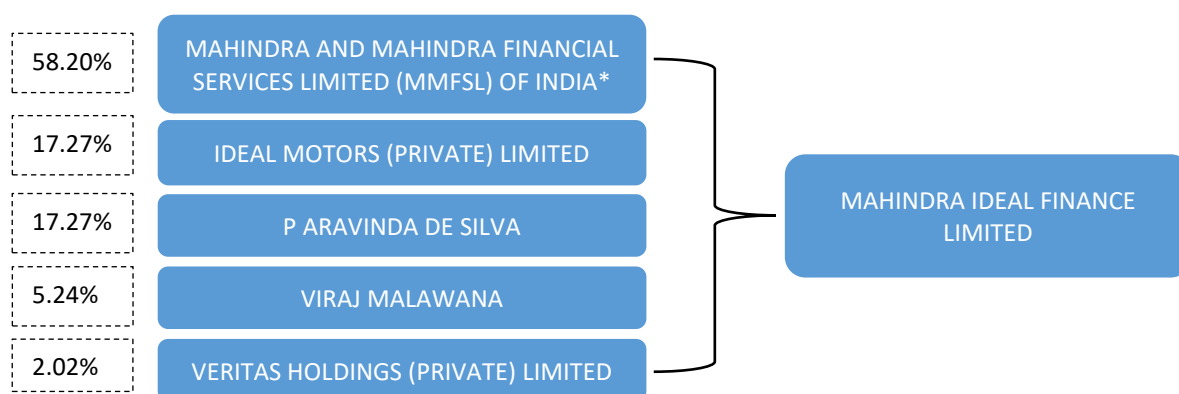
Mahindra Ideal Finance Limited (the Company) is a leading licensed finance Company in Sri Lanka, dedicated to providing trusted, accessible, and innovative financial solutions to individuals and businesses across the country. Established as a strategic partnership in 2021 between Mahindra & Mahindra Financial Services Limited (Mahindra Finance), India, and Ideal Group, Sri Lanka, the Company combines the global expertise of a renowned financial powerhouse with deep-rooted local knowledge and service excellence.

The Company was incorporated on 24<sup>th</sup> January 2012, headquartered in Colombo and backed by a growing network of 37 branches nationwide with further expansion underway, the Company offers a comprehensive suite of financial products, including leasing, loans, fixed deposits, and other asset-backed financing solutions (Vehicle-backed lending constituted 64% of the portfolio, while gold-backed lending accounted for the remaining 36% as at 31<sup>st</sup> December 2025)The company’s customer base spans the island, from urban centers to underserved rural communities, reflecting our commitment to financial inclusion and empowerment.

Driven by the Mahindra Group’s “Rise” philosophy it is not just focused on profits but on enabling people to Rise through financial inclusion whether it is helping a farmer acquire a vehicle, a small business expand operations, or an individual invest in their future. Every transaction the Company undertake is grounded in our core values of integrity, transparency, innovation, and customer centricity.

As a forward-thinking financial institution, the company continue to invest in digital transformation, operational efficiency, and customer experience enhancements. At the same time, the Company remains deeply committed to social and environmental responsibilities, working toward a more inclusive, sustainable financial ecosystem. With a robust foundation, strategic vision, and a passion for progress, Mahindra Ideal Finance Limited is shaping the future of finance in Sri Lanka one customer at a time.

### 7.2 GROUP STRUCTURE



\*MMFSL is listed on both the Bombay Stock Exchange and the National Stock Exchange of India.

### 7.3 FINANCIAL YEAR

The financial year of the Company commences on 01<sup>st</sup> April and ends on 31<sup>st</sup> March.

#### 7.4 STATED CAPITAL

The stated capital of the Company represents ordinary shares as given below.

Stated Capital	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> December 2025*
Balance (LKR)	1,908,247,125	1,908,247,125	1,908,247,125
Number of Shares – Voting Shares	145,639,098	145,639,098	145,639,098

\*Unaudited

#### 7.5 MAJOR SHAREHOLDERS AS AT 31<sup>st</sup> DECEMBER 2025

Five (5) largest shareholders of the Company as at 31<sup>st</sup> December 2025 are given below:

No	Name	No. of Shares	%
1	Mahindra And Mahindra Financial Services Ltd	84,768,130	58.2
2	Ideal Motors (Private) Limited	25,150,953	17.27
3	P Aravinda De Silva	25,150,953	17.27
4	Mr. Vairaj Malawana	7,633,211	5.24
5	Veritas Holdings (Pvt) Ltd	2,935,851	2.02
	<b>Total number of shares in issue</b>	<b>145,639,098</b>	<b>100</b>

#### 7.6 DETAILS OF OTHER DEBT SECURITIES IN ISSUE

The Company does not have any outstanding debt securities as at the date of this Prospectus.

#### 7.7 PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE COMPANY

As at 31<sup>st</sup> March 2025 and 31<sup>st</sup> December 2025 the outstanding long-term loan and other borrowings balances are given in the table below;

As at 31 <sup>st</sup> March 2025	LKR
Balance as at 31 <sup>st</sup> March 2024	3,843,671,591
New borrowings / (settlements)	3,106,004,684
Balance as at 31 <sup>st</sup> March 2025	6,949,676,275

<b>As at 31<sup>st</sup> December 2025*</b>	<b>LKR</b>
Balance as at 31 <sup>st</sup> March 2025	6,949,676,275
New borrowings / (settlements)	6,945,851,470
Balance as at 31 <sup>st</sup> December 2025	13,895,528,745

\*Unaudited

Borrowings of the Company as at 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2025 and 31<sup>st</sup> December 2025 comprise of the following;

	<b>As at 31<sup>st</sup> March 2024 LKR</b>	<b>As at 31<sup>st</sup> March 2025 LKR</b>	<b>As at 31<sup>st</sup> December 2025* LKR</b>
Bank Overdrafts	902,296,255	1,025,067,419	1,499,590,114
Debenture	-	-	-
Bank Borrowings	2,324,856,046	3,840,335,045	8,478,298,415
Securitisation Borrowings	616,519,290	2,084,273,811	-3,917,639,216
<b>Total</b>	<b>3,843,671,591</b>	<b>6,949,676,275</b>	<b>13,895,527,745</b>

\*Unaudited

## **7.8 DEBT SERVICING DETAILS OF THE COMPANY**

The Company doesn't have any debt servicing details for the past five financial years.

## **7.9 CONTINGENT LIABILITIES OF THE COMPANY**

The Company does not have contingent liabilities in respect of legal claims arising in the ordinary course of business as at 31<sup>st</sup> December 2025, except for two cases filed by customers. Any potential liability, that may arise from these two cases, is not expected to have a material impact on the Company's current and future profits and financial position.

## **7.10 LITIGATION AND DISPUTES**

As of the Prospectus date the Company is not involved in any material litigation, disputes, arbitration or mediation proceedings arising from its normal course of business activities that would give rise to contingent liabilities. In addition during the current financial year, the Company has not been subject to any fines, penalties imposed by any regulator or any state authority.

## 7.11 KEY FINANCIAL RATIOS

### Capital Adequacy Ratio (CAR)

	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024	31.03.2025	31.12.2025*
Capital adequacy - Tier 1 Capital Ratio % ****	47.28%	43.47%	38.62%	48.92%	40.35%	25.16%	16.52%
Capital adequacy - Total capital ratio % ****	47.28%	44.83%	39.68%	49.93%	41.37%	25.29%	16.68%

\*Unaudited

### Interest Cover and Debt to Equity Ratio

	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024	31.03.2025	31.12.2025*
Debt / Equity Ratio (Times) **	1.10	1.05	1.85	1.93	3.09	4.28	6.20
Interest Cover Ratio (Times) ***	1.44	2.13	1.95	1.17	1.19	1.25	1.44

\*Unaudited

$$\text{** Debt/ Equity Ratio} = \frac{\text{Bank Overdrafts} + \text{Interest bearing borrowings}}{\text{Equity attributable to shareholders of the company Shareholder Funds}}$$

$$\text{*** Interest Cover Ratio} = \frac{\text{Profit before Income Tax Expense} + \text{Interest Expense}}{\text{Interest Expense}}$$

(A deviation from the standard formula (EBIT divided by interest charges) is seen here owing to the fact that company's main income and expense sources are interest income and interest expense respectively.)

\*\*\*\* Minimum Statutory requirement of core capital and total capital ratio is 8.50% and 12.50% respectively.

## 7.12 TAXATION

The Company is not enjoying any tax exemptions as at the date of the Prospectus.

## **7.13 FUTURE STRATEGIES, ASSUMPTIONS ON WHICH FUTURE STRATEGIES ARE BASED AND RISKS ASSOCIATED WITH SUCH FUTURE STRATEGIES**

The Company is set to advance its vision through ambitious growth, digital transformation, operational excellence, and robust governance, focused on delivering stakeholder value in a transforming financial sector.

### **1. Strategic Growth Ambitions (Future Strategies)**

Company is driving 5x PAT growth and 3x Assets growth over the next five years, leveraging product innovation, increased customer centricity, and focused digital investments. Core business will be expanded through vehicle and gold-backed lending, supported by branch and channel growth and strategic customer acquisition.

#### **a) Digital Transformation**

Company's digital strategy includes migrating to cloud infrastructure, automating operations, implementing a robust loan origination platform, and deploying customer-facing apps. These initiatives will improve efficiency, drive faster product delivery, and yield scalable customer engagement.

#### **b) Customer Centricity**

Customer-first principles will guide service enhancements via multilingual contact center, WhatsApp and web channels, and new digital products. Together, these touchpoints strengthen relationships, speed resolutions, and expand the addressable market.

#### **c) Product and Network Expansion**

Broadened product portfolios and deeper market networks through phygital (branch + digital) expansion are planned. Brand building and targeted marketing will support business goals, while the company would pursue for inorganic growth opportunities and prepare itself for capital market milestones.

#### **d) Talent and Governance**

A strong governance culture, efficient risk management, and disciplined compliance are priorities. Talent acquisition, succession planning, and continuous training will ensure leadership continuity and capacity. High ethical standards and transparency are central to stakeholder trust.

#### **e) ESG and Sustainability**

Sustainability underpins future decisions, including responsible lending practices, energy-efficient infrastructure, green financing, and community engagement through CSR initiatives, aiming for inclusive and environmentally conscious growth.

#### **f) Financial Outlook**

Capital management, asset growth, and profitability are carefully stewarded, with a Board-approved business plan and prudent risk framework supporting resilience and readiness for future regulatory and economic shifts.

## 2. Enablers of this Journey (Assumption Related to the above Future Strategies)

The future strategy is premised on below key assumptions and enabling factors:

- Political and Economic Stability: Assumes sustained macroeconomic recovery and political stability, creating an improved business climate.
- Regulatory Continuity: Presumes ongoing regulatory support for digital transformation, easier vehicle imports, and green finance initiatives.
- Digital Adoption: Expects rapid customer adoption of new digital channels, apps, and automated offerings.
- Technological Infrastructure: Relies on uninterrupted investment in cloud migration, cybersecurity, banking platform upgrades, and data analytics.
- Talent Availability: Assumes continued access to skilled professionals for digital, risk, and product management roles.
- Strong Partnerships: Being a vehicle manufacturer backed financier, the Company understands the requirements of a dealer in a much better way which helps it to maintain robust relationships with dealers, SME business owners, and vehicle importers.
- Credit Ratings and Funding: Strategic plans hinge on maintaining AA- credit rating and availability of low-cost funding lines.
- External Enablers: Government UID digital initiative, stable interest and FX rates underpin strategy.

## 3. Associated Risks

The Company's ability to achieve its growth ambitions is exposed to various risks inherent in the financial services business, including:

- Credit Risk: Possible losses if borrowers or counterparties fail to meet obligations as the portfolio and customer base expand.
- Market Risk: Earnings and competitiveness may be affected by fluctuations in interest rates and commodity prices (including gold prices).
- Liquidity Risk: Growth and expansion require stable funding; mismatches or limited market access could constrain operations.
- Operational Risk: Increased reliance on digital platforms heightens risks from system failures, cyber threats, or compliance gaps.
- Talent Risk: The ability to attract, develop, and retain skilled employees is critical for strategy execution.
- Reputational Risk: Negative perceptions from service issues, compliance breaches, or external events may erode stakeholder confidence.
- Strategic Risk: Poor strategic choices, weak execution, or external changes could hinder long term objectives.

In addition, the Company's prospects are subject to external factors beyond its control, such as domestic and global economic conditions, government policy and regulatory changes, capital market volatility, investor sentiment, and unforeseen shocks including natural disasters.

Risk management functions across the Company are continuously strengthened to identify, measure, monitor, and mitigate these risks through stress testing, real time monitoring, and periodic operational audits, supported by sound policies and governance structures approved by the Board of Directors.

## 7.14 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

The following financial information is hosted on the Company's website, [www.mahindraifl.lk](http://www.mahindraifl.lk) and, the CSE website [www.cse.lk](http://www.cse.lk);

- Audited financial statements of Mahindra Ideal Finance Limited as at 31<sup>st</sup> March 2025.
- Interim financial statements of Mahindra Ideal Finance Limited as at 31<sup>st</sup> December 2025.
- Summarized financial statement for the five years ended 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2025 preceding the date of the Application stating the accounting policies adopted by the Company certified by the Auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

## 7.15 DISCLOSURES RELATED TO THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2025

### a) Statement of Comprehensive Income

- Interest Income from Loans and Advances

Interest income from loans and advances increased by LKR 405.5 Mn compared to the previous year, primarily driven by the expansion of the loans and advances portfolio by LKR 4,500 Mn during FY 2025, representing a 388% increase over FY 2024.

- Other Operating Income from Service Charges

Service charges consist of processing fees earned on leasing, vehicle loan, and gold loan facilities. With the lending portfolio expanding by LKR 6,200 Mn in FY 2025, the volume of new business increased correspondingly, resulting in a rise in service charge income of LKR 80.7 Mn compared to FY 2024.

- Personnel Expenses

Personnel expenses increased by LKR 58.9 Mn, due to annual salary increments and a higher staff count during FY 2025. As a result, total salary and related employee costs rose in line with these changes.

- Impairment Charge for Loans and other Losses

Loans and advances grew by 73%, increasing from LKR 8,543 Mn in FY 2024 to LKR 14,803 Mn in FY 2025. The corresponding increase in impairment charges was largely attributable to the recognition of expected credit losses on this significant growth in loan assets.

The Company strengthened its asset quality profile, reducing the Gross Stage 3 ratio to 1.86% as at 31 March 2025, compared with 5.25% as at 31st March 2024. This improvement was supported by enhanced collection mechanisms, including the establishment of a dedicated hard-bucket recovery team and integrated call-center follow-ups, which contributed to improved recoveries and earlier identification of risk signals.

### b) Statement of Financial Position

- Investment in Government Securities at Amortized Cost

Investment in Government Securities measured at amortized cost decreased by LKR 570.1 Mn due to decline in Treasury Bill rates, the Company liquidated surplus investments to meet its lending requirements.

- **Financial Investments measured at Fair Value through Profit and Loss**

Financial Investments measured at fair value through Profit and Loss declined by LKR 1001.2 Mn during FY 2025. As at FY 2024, the Company had obtained loans which were invested in Unit trust funds for few days. There was no such investment at the end of FY 2025.

- **Gold Advances**

Gold Advances increased by LKR 1,917 Mn primarily due to the addition of three new branches and higher business volumes arising from the increase in gold prices.

- **Loans and Advances**

Loans and Advances increased by LKR 4,549 Mn. With the decline in the interest rate trend, the Company resumed vehicle lending business which contributed to the growth in the loans and advances portfolio.

- **Bank Borrowings**

Bank Borrowings increased by LKR 1,515 Mn, primarily to fund the Company's increased lending requirements.

- **Securitization Borrowings**

Securitization Borrowings increased by LKR 1,467 Mn, due to borrowings obtained to meet the rise in lending requirements. These borrowings carry a fixed interest rate with a tenure of 3 to 4 years.

- **Due to Customers**

Due to Customers (Fixed Deposits) increased by LKR 1,049 Mn, due to focused deposit mobilization efforts supported by a dedicated team and an expanded branch network.

## 8 BOARD OF DIRECTORS

### 8.1 DETAILS OF THE DIRECTORS

The details of the Board of Directors of Mahindra Ideal Finance Limited as at the date of this Prospectus are given below:

Name of Director	Executive / Non- Executive/ Independent/ Non-Independent Status
Mr. Wijesinghe Arachchilage Thilan Manjith Wijesinghe	Chairman (Independent Non-Executive Director)
Mr. Mufaddal Abbas Choonia	Managing Director / CEO
Mr. Don Tiburtius Sujeewa Handapangoda Mudalige	Independent Non-Executive Director
Mr. Raul Ignatius Rebello	Non- Executive Non-Independent Director
Mr. Mangalanath Wickramanayake Karunaratne	Independent Non-Executive Director
Ms. Nimisha Welgama	Non-Executive Non-Independent Director
Ms. Priyangi Anushka Wijenayake	Non-Executive Non-Independent Director

### 8.2 PROFILE OF THE BOARD OF DIRECTORS

#### MR. MUFADDAL A. CHOONIA - *Managing Director & CEO*

Mr. Mufaddal Choonia was appointed as the Managing Director & CEO of Mahindra Ideal Finance, Sri Lanka, in July 2024 and is responsible for running all the affairs of the Company on a day-to-day basis.

A professional with over 25 years of rich experience (of which 15 years have been spent on international assignments), He has played various critical roles throughout his career, setting up and then leading, businesses and functions in many geographies across India, Europe and the Middle East. Prior to this role, he held the position of Dy. Senior Vice President – Emerging Markets, at Mahindra Finance in India, where he was responsible for leading Mahindra Finance’s entry into India-like Asian markets.

He joined the Mahindra Group in 1999, as part of its flagship Group management trainee programme that nurtures future leaders for the Mahindra Group. He has held various key responsibilities in marketing, sales and strategy across the automotive and financial services businesses, as well as the Group strategy office of the Mahindra Group.

As the first Brand Manager of the “Scorpio”, he was part of the core team that developed and launched the iconic vehicle that in many ways defined the future of the Group’s automotive business.

He was also the first Marketing Head of Mahindra Finance, India where he was responsible for launching the Company’s first ever integrated marketing campaign as well as its first corporate identity programme.

He was also part of the core team that in the year 2006, launched Mahindra Finance India’s IPO that was extremely well received in Indian stock exchanges.

He has also played the role of the Chief Executive Officer of Mahindra Racing SpA, Italy, wherein he set up Mahindra Group's performance and racing motorcycle development and manufacturing Company in Italy.

He has also had a stint in the Group strategy office wherein he was closely involved in supporting various business leaders of the Mahindra Group in developing long-term business strategies and business performance improvement programmes.

Besides the Mahindra Group, He has worked with the Emirates Bank Group in Dubai from 2007 to 2009 as Head of Marketing for their consumer finance business called Emirates Money.

He was part of the leadership team that was responsible for setting up this highly successful business in the UAE.

He has completed his Postgraduate qualification in Management from the prestigious Indian Institute of Management, Mumbai (formerly called NITIE). He also holds a bachelor's degree in engineering from Mumbai University.

**MR. SUJEEWA MUDALIGE - *Independent Non-Executive Director***

Mr. Sujeewa Mudalige possesses over 30 years of experience in the accounting and finance field, was appointed as the Director of the Board on 4<sup>th</sup> January 2022. He recently retired as the CEO/Managing Partner of PwC (Sri Lanka & Maldives). He serves as an Independent Non-Executive Director in many public and private entities like National Development Bank PLC, CIC Feeds Group, Link Samahan, CIC Holdings PLC, Link Natural Products (Pvt) Ltd, NSBM Green University, Cargo Boat Development PLC, Maliban Biscuits Ltd, Galadari Hotel PLC, Allianz Insurance Lanka Ltd, RIL Property PLC, the Mercantile Service Provident Society, Sherwood Capital (Pvt) Ltd, Ambeon Capital PLC, Ambeon Holdings PLC and Millennium IT ESP. He has also served on many regulatory bodies such as Board of Investment, National Medicines Regulatory Authority and Securities Exchange Commission. He was the President of the Institute of Chartered Accountants of Sri Lanka during the period 2010- 2011. He was recently awarded an honorary Doctorate in Business by the University of Plymouth (UK) in recognition of his outstanding contribution to accounting and finance. Academic and Professional Qualifications X Fellow Member of Institute of Chartered Accountants (SL), X Fellow Member of Chartered Institute of Management Accountants (UK), X Fellow Member of Association of Chartered Certified Accountants (UK) and X Fellow Member of Certified Public Accountants (Australia).

**MR. RAUL REBELLO - *Non-Executive Non-Independent Director***

Mr. Raul Rebello is a seasoned banking professional with significant expertise in rural banking and financial inclusion was appointed to the Board on 29<sup>th</sup> November 2023. He is currently the MD & CEO at Mahindra & Mahindra Financial Services Ltd and serves on the boards as Non-Executive Non-Independent Director of its subsidiaries, Mahindra Manulife Investment Management Pvt Ltd, India, Mahindra Insurance Brokers Limited, India, Mahindra Finance USA, Mahindra Finance CSR Foundation, India and Mahindra Rural Housing Finance Ltd, India. He joined Mahindra Finance, India in 2021 as Chief Operating Officer, following a distinguished tenure at Axis Bank, where he served as Executive Vice President & Head of Rural Lending & Financial Inclusion. He brings extensive experience across various domains, including rural lending, farmer funding, gold loans, MSME lending, commodity loans, tractor & farm equipment financing, agri-value chain deposits, payments, and insurance. Under his leadership, Axis Bank has won the prestigious Financial Inclusion Award at the Asian Banking and Finance Awards in 2019 and 2021. Since his appointment at Mahindra Finance, India, Raul has spearheaded key initiatives aimed at enhancing financial inclusion and driving innovation. His leadership has been instrumental in advancing the Company digital transformation, which includes leveraging AI and ML technologies for predictive analytics and implementing a phygital strategy that integrates physical branch operations with digital platforms to improve service accessibility in rural and semi-urban regions.

He has also focused on promoting sustainable financing solutions, such as loans for electric vehicles (EVs), while forging strategic partnerships with fintech companies to deliver customised financial products. He is actively engaged in industry leadership and policy advocacy. He is a member of the Finance Industry Development Council (FIDC). Academically, he holds a Post Graduate degree in Management from the Goa Institute of Management. Under his leadership, Mahindra Finance continues to advance its vision of empowering emerging India through inclusive and innovative financial solutions.

**MR. MANGALANATH WICKRAMANAYAKE KARUNARATNE - *Non-Executive Independent Director***

Born in Sri Lanka and shaped in Silicon Valley, the consistent thread woven across Mr. Mangala Karunaratne's professional life is his devotion to taking Sri Lankan ingenuity global and transforming how Sri Lanka is viewed in the global technology arena. Mr. Mangala, possessing over 20 years of experience in the field of information technology, was appointed as a Director to the Board with effect from 27<sup>th</sup> January 2026.

After completing his bachelor's degree in Computer Science at California State University, Fresno, Mr. Mangala made his way to Silicon Valley, which at the time was just entering the dot-com boom. Mr. Mangala progressed from engineer to project manager, eventually leading engineering teams at GolfWeb (later acquired by CBS Sportsline), Bay Networks Inc, and Nortel Networks Corporation.

In 2002, he founded Calcey Technologies (Private) Limited, a Colombo-based software product engineering company serving global clients. Under his leadership, the company has grown into an internationally recognized technology partner now employing over 200 talented professionals and delivering digital products to clients including PayPal, Cisco, Wikimedia Foundation, and Stanford University.

He has also been involved in the startup and venture capital ecosystem as an angel investor and mentor to emerging technology entrepreneurs. In 2024, he played a key role in the strategic merger between Calcey Technologies (Private) Limited and Surge Global (Private) Limited, forming Short Circuit Limited, a digital services company focused on building global technology capabilities from Sri Lanka.

Beyond technology, Mr. Mangala is actively involved in entrepreneurial and investment ventures through Grit HQ, including Asaya Sands, a boutique beachfront retreat in Mirissa aimed at creating spaces where global professionals can work, connect, and recharge. He is a trustee of the Karuna Trust and actively mentors emerging entrepreneurs while supporting the growth of startup ecosystems through his involvement in the regional venture capital community. With over two decades of experience building and scaling ventures, he brings expertise in strategic vision, entrepreneurship, and identifying opportunities for growth.

**MR. THILAN WIJESINGHE – *Chairman and Non-Executive Independent Director***

Mr. Thilan Wijesinghe is widely credited as the pioneer in public-private partnership (PPP) transactions in Sri Lanka was appointed to the Board on 29<sup>th</sup> October 2024. Over a period of 26 years, he has played a leadership role in financially closing around USD 2.2 billion in PPP transactions in Sri Lanka and has carried out PPP-related assignments in Sri Lanka, Bangladesh, Maldives, Nepal and Malta. His other specialisations include investment banking, privatisation and real estate. He graduated with honours from the State University of New York and Cornell University, USA, with three BSc degrees in Business Administration, Industrial Engineering and Economics (the latter 2 from Cornell). Having commenced his career as Senior Management Consultant at Price Waterhouse Coopers, Colombo, and subsequently Head of Planning at Sampath Bank, in 1992 Mr. Wijesinghe pursued entrepreneurial interests by co-founding Asia Capital PLC, which became Sri Lanka's largest investment bank in terms of market capitalisation in the 1990s.

He was a key initiator in successfully launching the Regent Sri Lanka Fund in 1993, the first-ever country fund dedicated to Sri Lankan equities. He served on the Board of this Dublin listed fund for 3 years. Having sold his investment in Asia Capital, in September 1995, Mr. Wijesinghe was appointed as Chairman & Director-General of the Board of Investment (BOI) He became the youngest-ever and longest-serving Chairman to head the BOI. During his tenure, net FDI reached an all-time record level of 2.8% of GDP in 1997 and he was responsible for many pioneering privatisation and PPP transactions in large-scale infrastructure covering ports, telecom, power, mini-hydro, housing/townships, hospitals and software parks. He directly oversaw financial closing of USD 800 Mn in PPP transactions between 1996 and 2000. Mr. Wijesinghe is a co-founder (in 1998) of the Sri Lanka Institute of Information Technology (SLIIT), Sri Lanka's largest IT University with 15,000 students. He serves as a Board member for life in this non-profit university. Returning to the private sector in 2002, he was Co-CEO at Asian Hotels Properties PLC, a listed property company in Sri Lanka. Having facilitated the sale of this Group to John Keells Holdings, he accepted an invitation by MJF Group, makers of Dilmah Tea, to steer the Group's diversification into the leisure sector. Concurrently, he assumed the role of Group Managing Director of Forbes & Walker Ltd, commodity broker entity and subsidiary Company of MJF Group. Mr. Wijesinghe was responsible for co-founding Ceylon Tea Trails, one of Sri Lanka's most successful small luxury hotels, which has won many international accolades including TripAdvisor awards for "Best All-inclusive Hotel (World)" category for four consecutive years from 2009-12. He continues to serve on the Boards (Non-Executive) of the leisure companies of MJF Group. In 2010, he functioned as Group Managing Director of Overseas Realty (Ceylon) PLC, owning Company of the Colombo World Trade Centre and Havelock City, thus having the distinction of having headed Sri Lanka's 2 largest real estate companies. He returned to his entrepreneurial roots in 2011 to pursue his passion for real estate and investment banking by setting up TWC HOLDINGS and TWC Corp (TWC), an investment banking and consultancy Company based in Sri Lanka and Singapore that also engages in real estate development management via a subsidiary. He is also Non-Executive Chairman and investor in several pioneering start-up ventures and serves on Boards of several other public and private companies. Other than the TWC HOLDINGS, he holds directorships in TWC Development Management Pvt Ltd , TWC Capital Pvt Ltd, TWC Insights (Pvt) Ltd , MJF Leisure Pvt Ltd, Ceylon Tea Trails, Resplendent Ceylon Pvt Ltd , Amana Takaful PLC, Serendib Leisure PLC, Sri Lanka Institute of Information Technology Pte Ltd, Sri Lanka Institute of Nano Technology Pvt Ltd, SLINTEC Academy Pvt Ltd, Sapphirus Lanka Pvt Ltd, Sapphirus Corporation Pvt Ltd , Colombo Academy of Hospitality Management Pvt Ltd, Ventive Hospitality Ltd, Maldives Property Holdings Pvt Ltd, SS&L Beach Pvt Ltd and KUDAKURATHU ISLAND RESORT PVT LTD. From July 2017 to December 2019, he served in an honorary capacity as the founding Chairman of the National Agency for Public Private Partnership (NAPPP), an institution under the Ministry of Finance he set up from ground-up. The NAPPP overlooked around 20 PPP transactions ranging from highways, power, real estate, digitisation and transport valued at over USD 3 billion. He was also entrusted with several privatisation transactions during this period. He resigned from this position in December 2019 to pursue entrepreneurial interests.

**MS. NIMISHA WELGAMA - *Non-Executive Non-Independent Director***

Ms. Nimisha Welgama was appointed to the Board of Mahindra Ideal Finance Limited on 19<sup>th</sup> February 2025 as a Non-Executive, Non Independent Director. Ms. N Welgama having qualified with LLB Honors from the University of Warwick in the U.K., completed her Bar Vocational Course attached to Lincoln's Inn, UK. Subsequently, she moved to Sydney, Australia, practised as a solicitor in Australia gaining experience in many international and blue-chip companies at senior level. Prior to returning to Sri Lanka, she worked at Mills Oakley (Sydney) as Senior Associate – Toxic Torts. Before that, she was at DLA Piper (Sydney) as Solicitor – Litigation and Dispute Resolution. She is also the Director, Legal & Corporate Affairs, for Ideal Motors (Private) Limited, and worked as Advisor – Corporate Strategy and New Business Development of the Ideal Group.

**MS. PRIYANGI ANUSHKA WIJENAYAKE - *Non-Executive Non-Independent Director***

Ms. Wijenayake joined the Board as a Non-Executive Director on 19<sup>th</sup> February 2025. She currently serves as an Education Consultant to Gateway College and is a member of the Australian Human Resources Institute. She holds directorships as Non-Executive Director at Ideal Premier (Pvt) Ltd, Prompt express Pvt Ltd, Ideal Drive Pvt Ltd, EMG Logistic Pvt Ltd, Arcasia Investment and Trading Pvt Ltd, Synnova Capital Ventures Pvt Ltd, Arvana Investments Pvt Ltd, Ideal Property Investments Pvt Ltd and Skynet WWE Pvt Ltd and Prompt Xpress International Pvt Ltd. She completed her secondary education in Melbourne, Australia. She graduated from Deakin University, Victoria, with a Bachelor of Science - Extended Major in Psychology & Minor in Biological Science. Thereafter, she completed a Post Graduate Diploma in Economics - specialised in Human Resource Management from La Trobe University, Melbourne, Victoria. She has work experience at ANZ Bank in Australia and in a diverse range of entities in Sri Lanka. She is passionate about community work and has provided leadership to many volunteer projects.

## OTHER DIRECTORSHIPS OF THE DIRECTORS OF THE COMPANY

Name of the Director	Other Directorship
Mufaddal A. Choonia <i>(Managing Director &amp; CEO)</i>	No Directorships
Sujeewa Mudalige <i>(Independent Non-Executive Director)</i>	<ul style="list-style-type: none"> <li>• National Development Bank PLC - Independent Non Executive Director</li> <li>• CIC Holdings PLC - Independent Non Executive Director</li> <li>• Ambeon Capital PLC - Independent Non Executive Director</li> <li>• Ambeon Holdings PLC – Independent Non Executive Director</li> <li>• CIC Feeds Group - Independent Non Executive Director</li> <li>• Link Samahan -Director Independent Non Executive Director</li> <li>• NSBM Green University – Independent Non Executive Director</li> <li>• Sherwood Capital –tor Independent Non Executive Director</li> <li>• Link Natural Products (Pvt) Ltd, Independent Non Executive Director</li> <li>• Cargo Boat Development PLC Independent Non Executive Director</li> <li>• Maliban Biscuits Ltd Independent Non Executive Director</li> <li>• Galadari Hotel PLC Independent Non Executive Director</li> <li>• Allianz Insurance Lanka Ltd Independent Non Executive</li> <li>• RIL Property PLC Independent Non Executive Director</li> <li>• The Mercantile Service Provident Society- Independent Non Executive Director</li> <li>• Millennium IT ESP Independent Non Executive Director</li> <li>• Board of Investment of Sri Lanka – Independent Non Executive Director</li> <li>• National Medicine Regulatory Authority of Sri Lanka - Independent Non Executive Director</li> </ul>
Raul Rebello <i>(Non-Executive Non-Independent Director)</i>	<ul style="list-style-type: none"> <li>• Mahindra &amp; Mahindra Financial Services Ltd – Managing Director</li> <li>• Mahindra Manulife Investment – Non Executive Non Independent Director</li> </ul>

	<ul style="list-style-type: none"> <li>• Mahindra Finance</li> <li>• CSR Foundation- Non Executive Non Independent Director</li> <li>• Mahindra Insurance Brokers Limited – Non Executive Non Independent Director</li> <li>• Mahindra Rural Housing Finance Ltd - Non Executive Non Independent Director</li> <li>• Mahindra Finance USA - Non Executive Non Independent Director</li> </ul>
Mangalanath Wickramanayake Karunaratne ( <i>Non-Executive Independent Director</i> )	<ul style="list-style-type: none"> <li>• Calcey Private Ltd – Executive Director</li> <li>• Calcey Technologies Private Ltd – Executive Director</li> <li>• Hackers Beach Private Ltd – Executive Director</li> <li>• Calcey Technologies Lanka Private Ltd – Executive Director</li> <li>• Hiruzzi Investment Private Ltd – Non-Executive Director</li> <li>• Asaya Sands Private Ltd – Executive Director</li> <li>• Karunaratne and Sons Private Ltd – Non-Executive Director</li> <li>• Timeplan Publishing Private Ltd – Non-Executive Director</li> <li>• Ramboda Falls Hydro Private Ltd – Non-Executive Director</li> <li>• Seenigama BPO Technologies Private Ltd – Non-Executive Director</li> </ul>
Thilan Wijesinghe ( <i>Non-Executive Independent Director</i> )	<ul style="list-style-type: none"> <li>• T W C Holdings Pvt Ltd – Chairman and Managing Director</li> <li>• TWC Development Management Pvt Ltd – Chairman and Managing Director</li> <li>• TWC Capital Pvt Ltd – Chairman and Managing Director</li> <li>• TWC Insights Pvt Ltd – Chairman and Managing Director</li> <li>• MJF Leisure Pvt Ltd – Non- Executive Director</li> <li>• Ceylon Tea Trails - Non- Independent Director</li> <li>• Resplendent Ceylon Pvt Ltd – Non- Executive Director</li> <li>• Amana Takaful PLC – Independent / Non – Executive Director</li> <li>• Serendib Leisure PLC – Independent Director</li> <li>• Sri Lanka Institute of information Technology Gte Ltd – Non - Independent Director</li> <li>• Sapphirus Corporation Pvt Ltd – Non-Independent Director</li> </ul>

	<ul style="list-style-type: none"> <li>• Sapphirus Lanka Pvt Ltd – Chairman Non Independent Director</li> <li>• Colombo Academy of Hospitality Management Pvt Ltd – Non Executive Director</li> <li>• Vention Hospitality Ltd – Non- Executive Director</li> <li>• Maldives Property Holdings Pvt Ltd – Non Executive Director</li> <li>• SS&amp;L Beach Pvt Ltd - Non Executive Director</li> <li>• Kudakurathu Island Resort Pvt Ltd -Non Executive Director</li> <li>• Sri Lanka Institute of Nano Technology Pvt Ltd – Non Independent Director</li> <li>• SLINTEC Academy Pvt Ltd – Non Independent Director</li> </ul>
Nimisha Welgama <i>(Non-Executive Non-Independent Director)</i>	<ul style="list-style-type: none"> <li>• Ideal Motors (Private) Limited – Executive Director</li> </ul>
Priyangi Anushka Wijenayake <i>(Non-Executive Non-Independent Director)</i>	<ul style="list-style-type: none"> <li>• Ideal Premier (Pvt) Ltd - Non Executive Non Independent Director</li> <li>• Prompt Xpress (Pvt) Ltd - Non Executive Non Independent Director</li> <li>• Ideal Drive (Pvt) Ltd- Non Executive Non Independent Director</li> <li>• EMG Logistics (Pvt) Ltd- Non Executive Non Independent Director</li> <li>• Arcasia Investment &amp; Trading (Pvt) Ltd- Non Executive Non Independent Director</li> <li>• Synnova Capital Ventures (Pvt) Ltd- Non Executive Non Independent Director</li> <li>• Arvana Investments (Pvt) Ltd-Non Executive Director</li> <li>• Ideal Property Investments (Pvt) Ltd- Non Executive Non Independent Director</li> <li>• Skynet WWE (Pvt) Ltd- Non Executive Non Independent Director</li> <li>• Prompt Xpress International Pvt Ltd - Non Executive Director</li> </ul>

### 8.3 DIRECTORS' INTEREST IN ANY ASSETS ACQUIRED, DISPOSED OR LEASED BY THE ENTITY

Directors have no significant or substantial interest in any assets acquired, disposed or leased by the Company.

### 8.4 DIRECTORS' INTEREST IN ANY MATERIAL CONTRACTS

Directors have no significant or substantial interest in any material contracts of the company.

## 8.5 STATEMENT BY THE BOARD OF DIRECTORS

No Director or a person nominated to become a Director of the Company is or was involved in any of the following events:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer.
- Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

## 8.6 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The primary objective of the Committee is to assess and consider all transactions with related parties of the Company in line with Section 9.14.3 of the CSE Listing Rules.

The Committee shall have authority:-

1. to review, to evaluate and to determine the advisability of any Related Party Transactions except for transactions set out in Rule 9.14.10 of the CSE Listing Rules, that require consideration by the Committee under the Related Party Policy of the Company and taking into consideration, Rule 9.14.5 of the Listing Rules of the CSE;
2. to approve or reject the Related Party Transaction upon the required internal approvals being obtained;
3. to determine whether the relevant Related Party Transaction is fair to, and in the best interests of the shareholders as a whole; and
4. to recommend to the full Board what action, if any, should be taken by the Board with respect to any Related Party Transaction. In such an instance, approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.
5. to recommend to the full Board where necessary that the approval of the shareholders of the Company be obtained by way of a Special Resolution prior to the concerned transaction being entered into as specified in Section 9.14.6 and 9.14.9 of the CSE Listing Rules.
6. in respect of transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of the Company or its subsidiaries, to determine if the terms of a transaction with a Related Party is not favourable to the Related Party than those generally available to the public.

Composition of the Related Party Transactions Review Committee is as follows;

<b>Name of the Board Subcommittee Member</b>	<b>Membership Status</b>	<b>Directorship Status</b>
Mr. D. T. Sujeewa H. Mudalige	Chairman	Independent Non-Executive
Mr. W. A. Thilan M. Wijesinghe	Member	Independent Non-Executive
Ms. Priyangi Anushka Wijenayake	Member	Non- Independent Non- Executive

## 8.7 BOARD NOMINATION AND GOVERNANCE COMMITTEE

The functions of the Committee shall be in line with Section 9.11.5 of the CSE Listing Rules.

The committee carries out the following duties and responsibilities:

- Implement a formal and transparent procedure to select/appoint new Directors and Senior Management. Senior Management should be appointed with the recommendation of CEO, excluding Chief internal Auditor, Chief Risk Officer and the Compliance Officer (as the recommendation for the CIA should be made by the Board Audit committee, whereas the CRO and the CO should be recommended by the Board Integrated Risk Management committee).
- Ensure that Directors and Senior Management are fit and proper persons to perform their functions based on the terms stated in the Finance Business Act Direction No. 6 of 2021 (Assessment of Fitness and Propriety of Key Responsible Persons).
- The selection process shall include reviewing whether the proposed directors:
- Possess the knowledge, skills, experience, independence and objectivity to fulfill their responsibilities on the board; Have a record of integrity and good repute.
- Have sufficient time to fully carry out their responsibilities.
- Strive to ensure that the Board composition is not dominated by any individual or a small group of individuals in a manner that is detrimental to the interests of the stakeholders and the Company as a whole.
- Set the criteria, such as qualifications, experience and key attributes required for eligibility, to be considered for appointment to the post of CEO and Senior Management.
- Upon the appointment of a new Director to the Board, the committee shall assign the responsibility to the Company Secretary to disclose same to the shareholders.

Composition of the Board Governance and Nominations Committee is as follows;

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Mr. D. T. Sujeewa H. Mudalige	Chairman	Independent Non-Executive
Mr. W. A. Thilan M. Wijesinghe	Member	Independent Non-Executive
Ms. Nimisha Welgama	Member	Non-Independent Non-Executive

## 8.8 HUMAN RESOURCE AND REMUNERATION COMMITTEE

The functions of the Committee shall be in line with Section 9.12.7 of the CSE Listing Rules.

The committee carries out the following duties and responsibilities:

- Determine the remuneration policy (salaries, allowances and other cash and non-cash benefits) relating to Executive Directors, CEO and other Key Responsible Officers by adopting a formal and transparent procedure. This policy needs to be recommended by the committee to the BOD for approval. This policy shall be subject to periodic review of the BOD, including when material changes are made.
- Provide recommendations and decisions (as relevant) on remuneration and all incentive awards including any equity incentive awards and terminal benefits for Executive Directors, CEO and other Key Responsible Officers. Committee shall ensure that the remuneration structure shall be in line with the business strategy, objectives, values, long-term interests and cost structure of the Company. It shall also incorporate measures to prevent conflicts of interest.
- Evaluate strategic human resources policies.

- Effective communication with the shareholders on the remuneration policy and committee’s work on behalf of the Board through a remuneration committee report.

Composition of the Human Resource and Remuneration Committee is as follows;

<b>Name of the Board Subcommittee Member</b>	<b>Membership Status</b>	<b>Directorship Status</b>
Mr. D. T. Sujeewa H. Mudalige	Chairman	Independent Non-Executive
Mr. W. A. Thilan M. Wijesinghe	Member	Independent Non-Executive
Ms. Nimisha Welgama	Member	Non-Independent Non-Executive

## **8.9 BOARD AUDIT COMMITTEE**

The functions of the Committee shall be in line with Section 9.13.4 of the CSE Listing Rules.

The committee carries out the following duties and responsibilities:

- Reviewing the integrity of Interim Financial Statements and the Annual Financial Statements prepared for disclosure, prior to submission to the Board of Directors.
- Ensuring adherence to applicable accounting standards, statutory and regulatory compliance requirements and best practices.
- Overseeing the appointment of the External Auditor for audit services is in compliance with the relevant statutes; approval of the audit fee, service period and any matters relating to the resignation or dismissal of Auditors.
- Ensuring that the internal audit function is independent of the activities it audits and it is performed with impartiality, proficiency and due professional care.
- Reviewing the internal audit programme, commenting on the audit findings, recommending appropriate action, ensuring coordination between the Internal and External Auditors and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company.
- Ensuring that the committee is apprised of the resignation of senior staff members of the Internal Audit Department including the Head of Internal Audit and any outsourced service providers, and providing an opportunity for the resigning senior staff members and outsourced service providers to submit reasons for resigning.
- Reviewing the Company’s statement on internal control systems before endorsement by the Board, and ensuring the adequacy and effectiveness of the internal control systems in the Company.

Composition of the Board Audit Committee is as follows;

<b>Name of the Board Subcommittee Member</b>	<b>Membership Status</b>	<b>Directorship Status</b>
Mr. D. T. Sujeewa H. Mudalige	Chairman	Independent Non-Executive
Mr. W. A. Thilan M. Wijesinghe	Member	Independent Non-Executive
Ms. Nimisha Welgama	Member	Non-Independent Non-Executive

## 8.10 BOARD INTEGRATED RISK MANAGEMENT COMMITTEE

The committee carries out the following duties and responsibilities:

- Assess all risks, i.e. credit, market, liquidity, operational, strategic, compliance and technology risks to the Company through appropriate risk indicators and management information.
- Review the Company's risk policies including risk appetite statement (RAS) at least annually.
- Assess the adequacy and effectiveness of all Management-level committees—such as the Credit committee and the Asset and Liability Management committee—in addressing specific risks and managing them within the quantitative and qualitative risk limits set by the committee.
- Take prompt corrective action to mitigate the effects of specific risks in case such risks are at levels beyond the prudent levels decided by the committee based on the finance Company's policies and regulatory and supervisory requirements.
- Initiate appropriate action against officers who fail to identify specific risks or to implement timely corrective measures as recommended by the committee and/or as directed by the Director of the Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka.
- Establish a dedicated compliance function to assess the finance Company's compliance with laws, regulations, directions, rules, regulatory guidelines, internal controls and approved policies on all areas of business operations. Set up a separate risk management function with a designated officer-in-charge.

Composition of the Board Integrated Risk Management Committee is as follows;

<b>Name of the Board Subcommittee Member</b>	<b>Membership Status</b>	<b>Directorship Status</b>
Mr. D. T. Sujeewa H. Mudalige	Chairman	Independent Non- Executive
Mr. W. A. Thilan M. Wijesinghe	Member	Independent Non- Executive
Ms. Priyangi Anushka Wijenayake	Member	Non-Independent Non-Executive

## 8.11 PROFILE OF THE SENIOR MANAGEMENT

### **MR. MUFADDAL A. CHOONIA - *Managing Director & CEO***

#### **Experience – 25+ years**

Mr. Mufaddal Choonia was appointed as the Managing Director & CEO of Mahindra Ideal Finance, Sri Lanka, in July 2024 and is responsible for running all the affairs of the Company on a day-to-day basis. A professional with over 25 years of rich experience (of which 15 years have been spent on international assignments), He has played various critical roles throughout his career, setting up and then leading, businesses and functions in many geographies across India, Europe and the Middle East. Prior to this role, he held the position of Dy. Senior Vice President – Emerging Markets, at Mahindra Finance in India, where he was responsible for leading Mahindra Finance's entry into India-like Asian markets. He joined the Mahindra Group in 1999, as part of its flagship Group management trainee programme that nurtures future leaders for the Mahindra Group. He has held various key responsibilities in marketing, sales and strategy across the automotive and financial services businesses, as well as the Group strategy office of the Mahindra Group. As the first Brand Manager of the "Scorpio", he was part of the core team that developed and launched the iconic vehicle that in many ways defined the future of the Group's automotive business. He was also the first Marketing Head of Mahindra Finance, India where he was responsible for launching the Company's first ever integrated marketing campaign as well as its first corporate identity programme. He was also part of the core team that in the year 2006, launched Mahindra Finance India's IPO that was extremely well received in the Indian stock exchanges.

He has also played the role of the Chief Executive Officer of Mahindra Racing SpA, Italy, where he set up Mahindra Group's performance and racing motorcycle development and manufacturing Company in Italy. He has also had a stint in the Group strategy office wherein he was closely involved in supporting various business leaders of the Mahindra Group in developing long-term business strategies and business performance improvement programmes.

Besides the Mahindra Group, He has worked with the Emirates Bank Group in Dubai from 2007 to 2009 as Head of Marketing for their consumer finance business called Emirates Money. He was part of the leadership team that was responsible in setting up this highly successful business in the UAE. He has completed his Postgraduate qualification in Management from the prestigious Indian Institute of Management, Mumbai (formerly called NITIE). He also holds a Bachelor's Degree in Engineering from Mumbai University.

### **MR. ROHITHA BANDUSENA - *Chief Operating Officer***

#### **Experience – 20+ years**

Mr. Rohitha Bandusena who counts over 20 years of experience in finance operations, treasury, credit and risk management, holds a BSc (Hons) (Business Administration) special degree from the University of Sri Jayawardenapura. Among the positions he has held are Senior Manager - Finance at Nations Leasing (Nations Trust Bank PLC), Assistant General Manager - Treasury and Operations at LB Finance PLC. Prior to joining Ideal Finance Limited at the inception in April 2012, he served in the position of Head of Credit and Risk Management at Sampath Leasing and Factoring Limited.

**MR. ROHIT AGARWALLA- *Chief Financial Officer***

**Experience -19+ years**

Currently working as the CFO of Mahindra Ideal Finance Limited, Mr. Agarwalla worked in the capacity of General Manager at Mahindra & Mahindra Finance Limited, Head Office, Mumbai. Prior to this, he was placed as a Regional Accountant at Mahindra Finance Regional Office, Guwahati (2005-2017). He is a Chartered Accountant certified by Institute of Chartered Accountants of England and Wales (2012-2013), Cost and Management Accountant certified by Institute of Cost Accountants of India (2008-2011) and Chartered Accountant certified by Institute of Chartered Accountants of India (2002-2005).

**MR. PRADEEP DE SILVA- *Deputy General Manager - Gold Loans***

**Experience – 38+ years**

With over 38 years of experience in the finance sector, Mr. Pradeep De Silva began his career at L B Finance PLC in 1987. Following the launch of the Company's gold loan business in 1998, he was appointed to lead gold loan operations and subsequently promoted to Senior Manager. In 2008, he joined Alliance Finance Company PLC as Assistant General Manager – Gold Loans, later taking on a similar role at Orient Finance Ltd. in 2016. In 2017, he brought his expertise to Mahindra Ideal Finance Limited as Assistant General Manager – Gold Loans and was promoted to Deputy General Manager – Gold Loans in October 2024. He plays a key role in driving the growth and expansion of gold loan products. He is also responsible for identifying and assessing potential locations through feasibility studies, leading to the strategic establishment of new branches to support the Company continued expansion.

**MR. VISHMITH KARIYAWASAM- *Assistant General Manager – Human Resources***

**Experience – 20+ years**

Mr. Vishmith Kariyawasam has over 20 years of experience in human resource management in plantation, IT consultation, telecommunications, and financial services industries. He began his career as a Human Resource Executive in year 2004 and subsequently practiced Human Resource Management in Virtusa (Pvt) Ltd. and Dialog Axiata PLC in the capacities of Human Resources Manager and Senior Business HR Partner. He holds a BSc in Human Resources Management degree from University of Sri Jayewardenepura and Master of Business Administration from the Postgraduate Institute of Management (PIM) – University of Sri Jayewardenepura.

**MANJULA BALASURIYA- *Assistant General Manager - ICT***

**Experience – 12+ years**

Mr. Manjula Balasuriya has more than twenty years of ICT experience of which 12+ years with the non-banking financial services industry including Siyapatha Finance PLC and Peoples Leasing PLC. He is an IT professional with a sound knowledge in banking & finance operations. Further, he has experience in IT operation management, project management, IT infrastructure solutions management and IT security administration. He is very familiar with core banking solutions within NBFI operations. Manjula has played many key roles in system implementation, project management, product management and business solution architecture. He is designated as Assistant General Manager – Information and Communication Technology in his current role, where he is responsible for the overall ICT requirements of the Company. He is a member of the British Computer Society, BCS-the Chartered Institute for IT – UK and he is also a practitioner of ITIL.

**MS. SAMEERA KAUMUDI – Assistant General Manager - Compliance**

**Experience - 18+ years**

Ms. Sameera Kaumudi counts over 18 years of experience in the fields of risk management and compliance. She is experienced in financial as well as at non-financial institutions including leading conglomerates with exposure to multiple sectors such as financial services, healthcare, leisure, FMCG, power, insurance, automobile, retail, and media. Prior to joining Mahindra Ideal Finance Limited, she served Softlogic Finance PLC as the Head of Risk Management. She is an Associate Member of the Chartered Institute of Management Accountants of UK and holds a Bachelor's Degree in Town and Country Planning from University of Moratuwa. At present, she is reading for her Executive MBA at Commonwealth of Learning.

**MR. CHATHURA GALHENA- Assistant General Manager- Internal Audit**

**Experience – 20+ years**

Commencing as an Audit Trainee at Ernst & Young in 2004, Mr. Chathura Galhena has embarked on a journey marked by unwavering dedication and continuous growth with over 18 years of experience in the banking and finance industry. Having held pivotal positions as the Head of Internal Audit at Siyaptha Finance PLC and Assistant General Manager Internal Audit at Alliance Finance Company PLC, he brings a wealth of strategic insight to Mahindra Ideal Finance Ltd. He has played an instrumental role in the corporate management teams in shaping business oriented internal audit practices over last 9 years. He is a holder of a B.Sc. (Accounting) Special from the University of Sri Jayewardenepura, an Associate Member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka.

**MR. SAMINDA GAMMANPILA- Assistant General Manager – Asset Finance**

**Experience – 20+ years**

Mr. Saminda Gammanpila has held the position of Assistant General Manager of Asset-Backed Finance at Abans Finance PLC. He began his career in 1998 as a Banking Assistant at Seylan Bank PLC. In 2004, he joined Nations Trust Bank as a Senior Banking Assistant and was later promoted to Bank Manager of the Gampaha branch. In 2010, he transitioned to Merchant Bank, and by 2012, he was serving as Branch Manager at Vallibel Finance PLC, where he was promoted to Senior Manager - Regions in 2016. In 2020, he joined Fintrex Finance Limited as AGM of Business Development, and in 2022, he became part of Abans Finance PLC. With a total of 12 years of experience in banking and another 12 years in finance, Mr. Gammanpila brings a wealth of expertise to his role.

**MS. SONALI NIRANJALA DUNUWILLE - Company Secretary**

**Experience – 10 years**

Ms. Sonali Niranjala Dunuwille is currently the Company Secretary at Mahindra Ideal Finance Limited. Before joining the Company, she worked at Siyapatha Finance as the Deputy Company Secretary. She has experience working as the Company Secretary at Corporate Services (Private) Limited affiliated to F J & G De Saram Attorneys-at-Law and Company Secretary at Lyceum Global Holdings (Private) Limited, affiliated to Lyceum International School. Sonali has acquired a Distinction in Secretarial Practice Diploma and has also qualified at the London Chamber of Commerce & Industries for Secretarial ship. (LCCI). She qualified as a Company Secretary from the Institute of Chartered Corporate Secretaries of Sri Lanka (ICCS – SL).

She also qualified in Human Resources Management (PQHRM) at the Chartered Institute of Personnel Management (CIPM) together with an Executive Certificate in Labour Laws of Sri Lanka. Sonali has a MSC in Human Resources Management & Development from Salford University, Manchester.

She is currently reading for the Doctorate in Business Administration 2023/2026 at the Faculty of Management and Finance, University of Colombo.

#### **8.12 STATEMENT BY THE CEO**

The Chief Executive Officer of the Company has not been involved in any of the following:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

#### **8.13 DETAILS OF ANY CONFLICT OF INTEREST**

The Directors and the Corporate Management Members of the company confirm that neither they nor any of their relatives nor any business with which they are associated have any personal or business interest in or potential for personal gain from any of the organizations or projects linked to Mahindra Ideal Finance Limited.

#### **8.14 DISCLOSURE OF POLICIES**

The Company has established and maintains the policies and discloses the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website [www.mahindrafl.lk](http://www.mahindrafl.lk) as stipulated under Section 9.2.1 of the CSE listing rules.

## 9 STATUTORY DECLARATIONS

### 9.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned Directors of Mahindra Ideal Finance Limited (Company) hereby declare and confirm that we have read the provisions of the Colombo Stock Exchange (CSE) Listing Rules and of the Companies Act No.7 2007 and any amendments thereto relating to the issuance of the Prospectus and confirmed that all such provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy and completeness of the information given and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

The parties to the Debenture Issue including Lawyers, Registrars, Auditors, Trustee, Rating Agency, and Managers and Joint Placement Agents have submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Company. Further, the Company Secretary to the said Issue has also submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to them.

An application has been made to the CSE for permission to deal in and for a listing of Debentures issued by the Company and those Debentures which are the subject of this Issue. Such permission will be granted when Debentures are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed, reports included or omissions and undisclosed information in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Company or of the Debentures issued.

Name of Director	Designation	Signature
Mr. Wijesinghe Arachchilage Thilan Manjith Wijesinghe	Chairman (Independent Non-Executive Director)	Sgd.
Mr. Mufaddal Abbas Choonia	Managing Director / CEO	Sgd.
Mr. Don Tiburtius Sujeewa Handapangoda Mudalige	Independent Non-Executive Director	Sgd.
Mr. Raul Ignatius Rebello	Non- Executive Non-Independent Director	Sgd.
Mr. Mangalanath Wickramanayake Karunaratne	Independent Non-Executive Director	Sgd.
Ms. Nimisha Welgama	Non-Executive Non-Independent Director	Sgd.
Ms. Priyangi Anushka Wijenayake	Non-Executive Non-Independent Director	Sgd.

## **9.2 STATUTORY DECLARATION BY THE MANAGERS AND JOINT PLACEMENT AGENTS TO THE ISSUE**

We, NDB Investment Bank Limited of No 135, Baudhaloka Mawatha, Colombo 04, who are named in the Prospectus as the Managers and Joint Placement Agents to the Issue hereby declare and confirm that to the best of our knowledge and belief, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Mahindra Ideal Finance Limited whose Debentures are being listed.

Signed by two Directors of NDB Investment Bank Limited, being duly authorised thereto, at Colombo on this 17<sup>th</sup> March 2026.

Sgd.  
Director

Sgd.  
Director

10.1 ACCOUNTANTS' REPORT AND FIVE-YEAR SUMMARY OF FINANCIAL STATEMENTS



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Fax : +94-11-2336064  
E-mail : bdopartners@bdo.lk  
Website : www.bdo.lk

Chartered Accountants  
"Charter House"  
65/2, Sir Chittampalam A Gardiner Mawatha  
Colombo 02  
Sri Lanka

9<sup>th</sup> February 2026

The Board of Directors  
Mahindra Ideal Finance Limited,  
No. 299, Dr. Colvin R De Silva Mawatha,  
Colombo 02.

Dear Sirs,

**ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF MAHINDRA IDEAL FINANCE LIMITED**

**Introduction**

This report has been prepared for the inclusion in the Prospectus of Mahindra Ideal Finance Limited for the purpose of the issue of Tier 2, listed, rated, unsecured, subordinated redeemable, 5-year debentures amounting to Rupees one thousand million (Rs. 1,000,000,000/-).

We have examined the financial statements of Mahindra Ideal Finance Limited for the years ended 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2025 and report as follows:

**1. Incorporation**

Mahindra Ideal Finance Limited is a Limited Liability Company incorporated and domiciled in Sri Lanka. The Company has been registered with the Central Bank of Sri Lanka as a Finance Company under the provisions of the Finance Business Act No. 42 of 2011 (formerly the Finance Companies Act No.78 of 1988). The Company was re-registered under the Companies Act No. 07 of 2007. The registered office of the Company and the principal place of business are located at No 299, Dr. Colvin R De Silva Mawatha, Colombo 02.

**2. Appointment of auditors**

We were appointed as Auditors of Mahindra Ideal Finance Limited with effect from the financial year ended 31<sup>st</sup> March, 2025.

**3. Financial statements**

**3.1 Five year summary of audited financial statements**

A summary of audited statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows of Mahindra Ideal Finance Limited for the financial years ended 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2025, are set out on Appendix 1 to the report.

**3.2 Audited financial statements for the year ended 31<sup>st</sup> March 2025**

Our audit report on the financial statements for the year ended 31<sup>st</sup> March, 2025 together with the financial statements comprising the statement of financial position, statement of income and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows along with the accounting policies and notes thereon is available on the website of Company, [www.mahindraifl.lk/](http://www.mahindraifl.lk/) where the management is responsible for the electronic presentation of the financial report and to ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.

Partners : Sujitwa Rajapakse FCA, ACCA, FCMA, MBA. Ashani J.W. Jayasingha FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA.  
F. Sarah Z. Afier FCA, FCMA (UK), CGMA, MCSA (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law.  
Nirosha Vadivel Ilac (Acc.), FCA, ACMA. B. D. Chamika M. Wijesinghe FCA, BBA (Acc.) Sp. H. M. B. Thilina Ranawansa FCA, BBAgt (Acc.) Sp.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.



### 3.3 Audit reports

We have audited the financial statements of the Company for the financial years ended 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2025. Audit opinions issued are summarized in the table below:

Financial year ended 31 <sup>st</sup> March	Audit opinion
2021	Unmodified audit opinion
2022	Unmodified audit opinion
2023	Unmodified audit opinion
2024	Unmodified audit opinion
2025	Unmodified audit opinion

### 3.4 Going concern

No reservations have been made in the auditor's reports on the going concern of the Company during the last five years.

### 3.5 Accounting policies

The financial statements of Mahindra Ideal Finance Limited for the financial years ended 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2025 have been prepared in accordance with Sri Lanka Accounting Standards.

The accounting policies are stated in detail in the audited financial statements of Mahindra Ideal Finance Limited for the year ended 31<sup>st</sup> March 2025.

### 3.6 Dividends

The Company has not paid dividends in respect of Ordinary shares for the financial years ended 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2025.

### 3.7 Events after the reporting date

There were no significant events which occurred after the last audit report date.

## 4. Restriction on use

This report is made solely for the purpose of the Board of Directors of Mahindra Ideal Finance for usage in the application for the purpose of issue of tier 2, listed, rated, unsecured, subordinated redeemable, 5-year debentures amounting to Rupees one thousand million (Rs. 1,000,000,000/).

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work and for this report we have prepared. This report should not be used, circulated, quoted or otherwise referred to for any other purposes.

Yours faithfully,

*BDO Partners*

CHARTERED ACCOUNTANTS

HSR/kp

MAHINDRA IDEAL FINANCE LIMITED  
STATEMENT OF COMPREHENSIVE INCOME

APPENDIX 1

	2024/2025	2023/2024	2022/2023	2021/2022	2021/2020
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Income</b>					
Interest income	2,444,565,889	2,153,618,043	1,805,299,948	1,242,067,922	973,813,610
Interest expenses	(1,109,246,019)	(1,061,880,311)	(921,725,959)	(328,347,452)	(256,037,926)
<b>Net interest income</b>	<b>1,335,319,870</b>	<b>1,091,737,732</b>	<b>883,573,989</b>	<b>913,720,470</b>	<b>717,775,684</b>
Fees and commission income	16,497,935	10,249,062	13,067,675	12,097,982	10,904,398
Other operating income	279,805,694	145,173,275	105,911,732	67,370,908	30,575,374
<b>Less: Operating expenses</b>					
Personnel expenses	(560,528,599)	(501,575,385)	(349,974,582)	(279,077,843)	(194,494,202)
Depreciation and amortization cost	(148,942,034)	(115,492,989)	(97,306,263)	(77,535,459)	(54,367,478)
General and administration expenses	(414,783,308)	(345,864,952)	(236,296,248)	(147,445,903)	(61,592,438)
Impairment charge for lease rentals receivable, hire purchase, loans and advances	(73,913,715)	49,871,815	(70,983,116)	(88,336,470)	(88,586,557)
<b>Operating profit before value added tax on financial services</b>	<b>433,455,843</b>	<b>334,098,558</b>	<b>247,993,167</b>	<b>400,793,685</b>	<b>360,214,781</b>
Value added tax on financial services	(135,364,009)	(116,700,020)	(88,673,219)	(90,504,774)	(71,777,093)
Social Security Contribution Levy	(18,800,557)	(16,208,337)	(6,227,766)	-	-
<b>Profit before income tax</b>	<b>279,291,277</b>	<b>201,190,201</b>	<b>153,092,202</b>	<b>310,288,911</b>	<b>288,437,688</b>
Income tax expenses	(133,405,107)	(97,898,498)	(66,194,388)	(71,067,116)	(104,682,413)
<b>Profit for the year</b>	<b>145,886,170</b>	<b>103,291,703</b>	<b>86,897,814</b>	<b>239,221,795</b>	<b>183,755,275</b>
<b>Other comprehensive income not to be re-classified to profit or loss in subsequent periods (net of tax)</b>					
Actuarial gain/(loss) on retirement benefit liability	7,032,661	(8,101,913)	2,130,956	2,083,840	947,411
Deferred tax effect on components of other comprehensive income	(2,109,798)	2,430,574	(639,287)	(500,122)	(265,275)
<b>Other comprehensive income / (expense) for the year net of tax</b>	<b>4,922,863</b>	<b>(5,671,339)</b>	<b>1,491,669</b>	<b>1,583,718</b>	<b>682,136</b>
<b>Total comprehensive income for the year</b>	<b>150,809,033</b>	<b>97,620,364</b>	<b>88,389,483</b>	<b>240,805,513</b>	<b>184,437,411</b>
<b>Earnings per share - basic</b>	<b>1.00</b>	<b>0.71</b>	<b>0.60</b>	<b>1.64</b>	<b>1.26</b>

Figures in brackets indicate deductions.

MAHINDRA IDEAL FINANCE LIMITED  
STATEMENT OF FINANCIAL POSITION

APPENDIX 1 (CONTD...)

	31/03/2025	31/03/2024	31/03/2023	31/03/2022	31/03/2021
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>					
Cash and Bank Balances	178,134,163	110,767,720	165,583,696	135,648,058	71,609,393
Investment in Government Securities at Amortized cost	1,248,943,875	1,819,024,328	458,137,517	248,709,944	502,394,473
Financial Investments-Measured at Fair Value through PL	-	1,001,278,217	-	-	-
Placements with Banks and Other Financial Institutions	151,075,892	355,848,060	445,268,915	287,743,917	211,016,918
Gold Advances	6,422,978,337	4,505,162,573	3,950,688,495	2,258,859,086	1,183,764,064
Lease Rental Receivables	2,656,512,819	2,864,129,749	2,374,025,383	3,535,934,193	2,414,429,648
Loans and Advances	5,723,479,604	1,173,631,285	798,812,852	1,389,311,844	865,820,622
Other Financial Assets	21,012,383	29,495,526	24,340,891	61,826,573	41,054,449
Other Non Financial Assets	73,409,769	188,496,352	58,781,143	177,169,452	27,054,720
Financial Investments-Measured at Fair Value through OCI	457,700	457,700	457,700	457,700	457,700
Inventories	-	-	-	328,056	511,273
Property, Plant and Equipment	584,938,750	534,360,642	470,357,459	346,499,489	188,756,810
Intangible assets	34,497,811	43,094,228	18,047,136	19,196,706	12,958,541
Deferred tax assets	35,978,217	24,116,990	27,648,433	23,683,867	-
<b>TOTAL ASSETS</b>	<b>17,131,419,320</b>	<b>12,649,863,370</b>	<b>8,792,149,620</b>	<b>8,485,368,885</b>	<b>5,519,828,611</b>
<b>LIABILITIES</b>					
Interest Bearing Borrowings	6,949,676,275	3,843,671,591	1,989,957,781	2,872,386,024	1,706,358,102
Due to the Customers	6,254,214,091	5,204,224,178	3,487,076,917	2,195,018,842	929,639,458
Other Financial Liabilities	639,571,564	547,160,170	379,280,751	550,307,273	236,443,617
Other Non Financial Liabilities	104,444,871	67,585,280	37,393,905	44,966,937	26,294,479
Post Employment Benefit Liability	37,738,100	49,036,778	30,896,045	26,338,562	23,049,390
Current Tax Liabilities	62,722,638	5,942,625	32,921,837	50,118,346	87,363,461
Deferred Tax Liabilities	-	-	-	-	5,252,716
<b>TOTAL LIABILITIES</b>	<b>14,048,367,539</b>	<b>9,717,620,622</b>	<b>5,957,527,236</b>	<b>5,739,135,984</b>	<b>3,014,401,223</b>
<b>SHAREHOLDERS' FUNDS</b>					
Stated Capital	1,908,247,125	1,908,247,125	1,908,247,125	1,908,247,125	1,908,247,125
Retained Earnings	1,114,204,721	970,936,139	878,196,794	794,226,785	565,461,548
Reserves	60,599,935	53,059,484	48,178,465	43,758,991	31,718,715
<b>TOTAL EQUITY</b>	<b>3,083,051,781</b>	<b>2,932,242,748</b>	<b>2,834,622,384</b>	<b>2,746,232,901</b>	<b>2,505,427,388</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,131,419,320</b>	<b>12,649,863,370</b>	<b>8,792,149,620</b>	<b>8,485,368,885</b>	<b>5,519,828,611</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	-	-	-	-	-
<b>NET ASSETS VALUE PER SHARE</b>	<b>21.17</b>	<b>20.13</b>	<b>19.46</b>	<b>18.86</b>	<b>17.20</b>

Figures in brackets indicate deductions.

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Fund Rs.	Total Rs.
<b>Balance as at 31st March 2019</b>	<b>808,247,125</b>	<b>291,212,571</b>	<b>17,284,558</b>	<b>1,116,744,254</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	105,351,084	-	105,351,084
Other comprehensive expense (net of tax)	-	(1,105,361)	-	(1,105,361)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>104,245,723</b>	<b>-</b>	<b>104,245,723</b>
<b>Transactions with equity holders recognized directly in equity</b>				
Share issue	1,100,000,000	-	-	1,100,000,000
Transfers to reserves	-	(5,212,286)	5,212,286	-
<b>Total transactions with equity holders</b>	<b>1,100,000,000</b>	<b>(5,212,286)</b>	<b>5,212,286</b>	<b>1,100,000,000</b>
<b>Balance as at 31st March 2020</b>	<b>1,908,247,125</b>	<b>390,246,008</b>	<b>22,496,844</b>	<b>2,320,989,977</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	183,755,275	-	183,755,275
Other comprehensive expense (net of tax)	-	682,136	-	682,136
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>184,437,411</b>	<b>-</b>	<b>184,437,411</b>
<b>Transactions with equity holders recognized directly in equity</b>				
Transfers to reserves	-	(9,221,871)	9,221,871	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>(9,221,871)</b>	<b>9,221,871</b>	<b>-</b>
<b>Balance as at 31st March 2021</b>	<b>1,908,247,125</b>	<b>565,461,548</b>	<b>31,718,715</b>	<b>2,505,427,388</b>

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Fund Rs.	Total Rs.
<b>Balance as at 31st March 2021</b>	<u>1,908,247,125</u>	<u>565,461,548</u>	<u>31,718,715</u>	<u>2,505,427,388</u>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	239,221,795	-	239,221,795
Other comprehensive expense (net of tax)	-	1,583,718	-	1,583,718
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>240,805,514</u>	<u>-</u>	<u>240,805,514</u>
<b>Transactions with equity holders recognized directly in equity</b>				
Transfers to reserves	-	(12,040,276)	12,040,276	-
<b>Total transactions with equity holders</b>	<u>-</u>	<u>(12,040,276)</u>	<u>12,040,276</u>	<u>-</u>
<b>Balance as at 31st March 2022</b>	<u>1,908,247,125</u>	<u>794,226,786</u>	<u>43,758,990</u>	<u>2,746,232,902</u>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	86,897,814	-	86,897,814
Other comprehensive expense (net of tax)	-	1,491,669	-	1,491,669
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>88,389,483</u>	<u>-</u>	<u>88,389,483</u>
<b>Transactions with equity holders recognized directly in equity</b>				
Transfers to reserves	-	(4,419,474)	4,419,474	-
<b>Total transactions with equity holders</b>	<u>-</u>	<u>(4,419,474)</u>	<u>4,419,474</u>	<u>-</u>
<b>Balance as at 31st March 2023</b>	<u>1,908,247,125</u>	<u>878,196,795</u>	<u>48,178,464</u>	<u>2,834,622,384</u>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	103,291,703	-	103,291,703
Other comprehensive expense (net of tax)	-	(5,671,339)	-	(5,671,339)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>97,620,364</u>	<u>-</u>	<u>97,620,364</u>
<b>Transactions with equity holders recognized directly in equity</b>				
Transfers to reserves	-	(4,881,018)	4,881,018	-
<b>Total transactions with equity holders</b>	<u>-</u>	<u>(4,881,018)</u>	<u>4,881,018</u>	<u>-</u>
<b>Balance as at 31st March 2024</b>	<u>1,908,247,125</u>	<u>970,936,140</u>	<u>53,059,483</u>	<u>2,932,242,748</u>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	145,886,170	-	145,886,170
Other comprehensive expense (net of tax)	-	4,922,863	-	4,922,863
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>150,809,032</u>	<u>-</u>	<u>150,809,032</u>
<b>Transactions with equity holders recognized directly in equity</b>				
Transfers to reserves	-	(7,540,452)	7,540,452	-
<b>Total transactions with equity holders</b>	<u>-</u>	<u>(7,540,452)</u>	<u>7,540,452</u>	<u>-</u>
<b>Balance as at 31st March 2025</b>	<u>1,908,247,125</u>	<u>1,114,204,721</u>	<u>60,599,935</u>	<u>3,083,051,781</u>

Figures in brackets indicate deductions.

MAHINDRA IDEAL FINANCE LIMITED  
STATEMENT OF CASH FLOW

APPENDIX 1 (CONTD...)

	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from operating activities</b>					
Profit before income tax	279,291,277	201,190,201	153,092,202	310,288,911	288,437,688
<b>Adjustment for Other Non Cash Items Included in Profit Before Tax</b>					
Depreciation of Property, Plant and Equipment & ROU Assets	140,150,617	110,425,685	93,972,623	71,243,356	48,991,168
Amortization of Intangible Assets	8,791,417	5,067,304	3,333,640	6,292,103	5,376,310
Provision for Impairment	73,913,715	(49,871,815)	70,983,116	88,336,470	88,586,557
Interest expenses on Borrowings	403,685,122	377,945,850	434,895,016	183,688,204	166,134,545
Defined Benefit Obligation	14,271,083	12,673,570	9,450,813	5,434,262	6,113,667
Dividend Income	-	(179,520)	(240,000)	(240,000)	(320,000)
Disposal (Gain)/Loss on Fixed Assets	(21,772,078)	-	-	(4,366,107)	235,561
<b>Operating Profit before Working Capital Changes</b>	<b>898,331,153</b>	<b>657,251,275</b>	<b>765,487,410</b>	<b>660,677,199</b>	<b>603,555,496</b>
(Increase)/Decrease in Lease Rental Receivables	214,288,953	(463,612,467)	1,135,054,895	(1,175,879,395)	(148,487,441)
(Increase)/Decrease in Loans and Advances	(4,610,148,089)	(347,074,261)	603,795,207	(555,430,251)	88,022,024
(Increase)/Decrease in Gold Advance	(1,938,101,734)	(558,838,334)	(1,703,801,685)	(1,075,095,022)	(511,048,668)
(Increase)/Decrease in Other Financial Assets	8,483,143	(5,154,635)	(7,967,458)	(18,533,533)	(9,443,491)
(Increase)/Decrease in Other Non Financial Assets	91,755,762	(123,753,192)	113,784,455	(150,114,732)	(4,029,958)
(Increase)/Decrease in Inventories	-	-	328,056	183,217	406,442
Increase/(Decrease) in Amounts Due to Customers	1,049,989,913	1,717,147,261	1,292,058,075	1,265,379,384	257,722,325
Increase/(Decrease) in Other Financial Liabilities	171,098,332	231,602,037	(110,978,929)	313,863,656	66,019,178
Increase/(Decrease) in Other Non Financial Liabilities	36,859,592	30,191,375	(7,573,033)	18,672,458	(7,072,427)
Increase/(Decrease) in Current Tax liabilities	13,971,025	(8,732,522)	3,633,728	-	-
<b>Cash Generated from Operations</b>	<b>(4,063,471,950)</b>	<b>1,129,026,537</b>	<b>2,083,820,723</b>	<b>(716,277,018)</b>	<b>335,643,481</b>
Retirement Benefit Liabilities Paid	(18,537,100)	(2,634,750)	(2,762,375)	(61,250)	-
Income Tax Paid	(90,596,119)	(116,145,188)	(87,024,625)	(137,748,935)	(94,550,893)
<b>Net Cash Flows from/(Used In) Operating Activities</b>	<b>(4,172,605,168)</b>	<b>1,010,246,599</b>	<b>1,994,033,723</b>	<b>(854,087,204)</b>	<b>241,092,588</b>
<b>Cash Flows from / (Used In) Investing Activities</b>					
Purchase of Property, Plant and Equipment	(117,080,251)	(88,766,534)	(141,303,856)	(75,779,480)	(42,271,115)
Purchase of Right of Use Assets	(81,359,758)	(85,662,333)	(76,526,736)	(160,707,218)	(29,377,517)
Purchase of Intangible Assets	(195,002)	(30,114,398)	(2,184,070)	(12,530,268)	(200,000)
Disposal of Property, Plant and Equipment	38,843,160	-	-	10,675,000	-
Dividend Received	-	179,520	240,000	240,000	320,000
Investment in Treasury Bills	424,191,672	(515,700,380)	(300,329,263)	-	-
Investment in Fixed Deposits	104,772,168	189,420,855	(157,524,998)	(71,441,158)	(210,000,000)
<b>Net Cash Flows from/(Used In) Investment Activities</b>	<b>369,171,989</b>	<b>(530,643,270)</b>	<b>(677,628,924)</b>	<b>(309,543,124)</b>	<b>(281,528,632)</b>
<b>Cash Flows from / (Used In) Financing Activities</b>					
Proceeds from Bank Borrowings	10,559,108,022	15,985,000,000	6,424,000,000	2,673,000,000	1,397,000,000
Repayment of Bank Borrowings	(7,979,599,624)	(15,340,051,428)	(7,494,177,824)	(1,866,078,525)	(1,782,714,413)
Rental Paid for Lease Obligation	(78,686,938)	(63,722,616)	(60,047,593)	(46,849,881)	(28,001,970)
Repayment of Other Borrowed Funds	-	-	-	(1,182,051)	(3,631,013)
<b>Net Cash Flows from/(Used In) Financing Activities</b>	<b>2,500,861,460</b>	<b>581,225,956</b>	<b>(1,130,225,417)</b>	<b>758,889,543</b>	<b>(417,347,396)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,302,571,720)</b>	<b>1,060,829,285</b>	<b>186,179,382</b>	<b>(404,740,785)</b>	<b>(457,783,441)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>1,312,744,367</b>	<b>251,915,083</b>	<b>65,735,701</b>	<b>470,476,486</b>	<b>928,259,927</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>10,172,647</b>	<b>1,312,744,368</b>	<b>251,915,083</b>	<b>65,735,701</b>	<b>470,476,486</b>

Figures in brackets indicate deductions.

Fitch Ratings Lanka Ltd



Ruani Goonetilleke  
Authorized Signatory

**Fitch**Ratings

## RATING ACTION COMMENTARY

# Fitch Assigns Mahindra Ideal Finance's Proposed Subordinated Debt Final 'A(Ika)' Rating

Thu 05 Mar, 2026 - 4:14 AM ET

Fitch Ratings - Singapore/Colombo - 05 Mar 2026: Fitch Ratings has assigned Mahindra Ideal Finance Limited's (MID, AA-(Ika)/Stable) proposed Sri Lankan rupee-denominated subordinated listed debentures of up to LKR1 billion a final National Long-Term Rating of 'A(Ika)'.

The proposed debentures, which will mature in five years, will be listed on the Colombo Stock Exchange. The company plans to use the proceeds to strengthen its Tier 2 capital base and support business expansion.

## KEY RATING DRIVERS

The proposed debentures are rated two notches below MID's National Long-Term Rating. This reflects our baseline notching for loss severity for this debt class and our expectation of poor recoveries in the event of default.

We applied our Bank Rating Criteria to rate the proposed debentures, as we believe the prudential capital framework of Sri Lankan finance companies is close to that for banks. There is no additional notching for non-performance risk, as the proposed debentures do not contain going-concern loss-absorption.

MID's National Long-Term Rating was affirmed at 'AA-(Ika)' with a Stable Outlook on 28 February 2025. The rating reflects Fitch's expectation that the parent company, India-based Mahindra & Mahindra Financial Services Limited, would provide extraordinary support to MID if needed. We believe MID is of limited importance to the parent because of MID's emerging role within the group and the short period since it was acquired. Details can be found in the published commentary, "[Fitch Affirms Mahindra Ideal Finance at 'AA-\(Ika\)'; Outlook Stable](#)".

## RATING SENSITIVITIES

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of MID's National Long-Term Rating would lead to a downgrade of the final subordinated debt rating.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of MID's National Long-Term Rating would lead to an upgrade of the final subordinated debt rating.

## REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

MID's rating is driven by the credit profile of the parent, Mahindra & Mahindra Financial Services Limited.

## RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕
Mahindra Ideal Finance Limited	
subordinated	Natl LT A(Ika) New Rating

[VIEW ADDITIONAL RATING DETAILS](#)

## FITCH RATINGS ANALYSTS

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## **PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

## **APPLICABLE CRITERIA**

[National Scale Rating Criteria \(pub. 22 Dec 2020\)](#)

[Non-Bank Financial Institutions Rating Criteria \(pub. 01 Feb 2025\) \(including rating assumption sensitivity\)](#)

[Bank Rating Criteria \(pub. 22 Mar 2025\) \(including rating assumption sensitivity\)](#)

## **ADDITIONAL DISCLOSURES**

[Solicitation Status](#)

[Endorsement Policy](#)

[Potential Conflicts Resulting from Revenue Concentrations](#)

## **ENDORSEMENT STATUS**

Mahindra Ideal Finance Limited

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## ANNEXURE II - COLLECTION POINTS

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Copies of the Application Form can be obtained free of charge, upon request from the following collection points.

<b>Issuer</b>  Mahindra Ideal Finance Limited No 299, Dr. Colvin R De Silva Mawatha, (Union Place) Colombo 02  Tel: +94 112 010 704	<b>Managers and Joint Placement Agents to the Issue</b>  NDB Investment Bank Limited Level 1, NDB Capital Building No. 135, Bauddhaloka Mawatha Colombo 04  Tel: + 94 11 2 300 385-90 Fax: +94 11 2 300 393
<b>Registrars to the Issue</b>  S S P Corporate Services (Private) Limited No. 101, Inner Flower Road Colombo 03  Tel: +94 11 2 573 894 Fax: +94 11 2 573 609	<b>Bankers to the Issue</b>  National Development Bank PLC No.40, Navam Mawatha, Colombo 02  Tel: +94 (0) 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262

### Branch Network of Mahindra Ideal Finance Limited

Copies of the Application Form can be obtained free of charge from all branches/customer centres of Mahindra Ideal Finance Limited.

## Trading Participants of the CSE

<p><b>HNB Stockbrokers (Private) Limited</b></p> <p>No. 53, Dharmapala Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 206 206 Fax: +94 11 2 206 298/9 E-mail: sales@acuitystockbrokers.com</p>	<p><b>Asha Securities Limited</b></p> <p>No.60, 5<sup>th</sup> Lane, Colombo 03.</p> <p>Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net</p>
<p><b>Asia Securities (Private) Limited</b></p> <p>4<sup>th</sup> Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03.</p> <p>Tel: +94 11 7 722 000 Fax: +94 11 258 4864 E-mail: marketinfo@asiasecurities.lk</p>	<p><b>ACS Capital (Private) Limited</b></p> <p>No.44, Guilford Crescent, Colombo 07.</p> <p>Tel: +94 11 789 8302 Fax: - E-mail: info@acscapial.lk</p>
<p><b>ACAP Stock Brokers (Private) Limited</b></p> <p>No. 46/46, Greenlanka Building, 6th Floor, Nawam Mawatha, Colombo 02.</p> <p>Tel: +94 117 564 000 Fax: +94 112 331 756 E-mail: info@acapstockbrokers.lk</p>	<p><b>Almas Equities (Private) Limited</b></p> <p>Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 8.</p> <p>Tel: +94 11 707 1445 51 Fax: +94 11 2 673 908 E-mail: info@almasequities.com</p>
<p><b>Ambeon Securities (Private) Limited</b></p> <p>No.100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08.</p> <p>Tel: +94 11 5 328 200 / 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk</p>	<p><b>Bartleet Religare Securities (Private) Limited</b></p> <p>Level “G”, “Bartleet House” 65, Braybrooke Place, Colombo 02.</p> <p>Tel: +94 11 4 221 000 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com</p>
<p><b>Capital Alliance Securities (Private) Limited</b></p> <p>Level 5, “Millennium House” 46/58, Navam Mawatha, Colombo 02.</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk</p>	<p><b>Capital Trust Securities (Private) Limited</b></p> <p>42, Mohamed Macan Markar Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 174 174/ +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk</p>

<p><b>CT Smith Securities (Pvt) Limited</b> 4-14, Majestic City, 10, Station Road, Colombo 04.</p> <p>Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctcls.lk</p>	<p><b>Capital Alliance PLC</b> Level 5, "Millenium House" 46/58, Nawam Mawatha, Colombo 02.</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-Mail: info@cal.lk</p>
<p><b>Enterprise Ceylon Capital (Private) Limited</b> 2nd Floor-4B, Liberty Plaza, 250, R. A. De Mel Mawatha, Colombo 3</p> <p>Tel: +94 112 445 644 Fax: +94 11 237 2541 E-mail: info@ecc.lk</p>	<p><b>First Capital Equities (Pvt) Limited</b> Level 12, Vallible Property, No. 480, Galle Road, Colombo 03.</p> <p>Tel: +94 11 2 123 901 Fax: - E-mail: equity@firstcapital.lk</p>
<p><b>First Guardian Equities (Private) Limited</b> 32<sup>nd</sup> Floor, East Tower, World Trade Centre, Colombo 01.</p> <p>Tel: +94 11 5 884 400 Fax: +94 11 5 884 401 E-mail: info@fge.lk</p>	<p><b>J B Securities (Private) Limited</b> No. 150, St. Joseph Street, Colombo 14.</p> <p>Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk</p>
<p><b>John Keells Stockbrokers (Private) Limited</b> 186, Vauxhall Street, Colombo 02.</p> <p>Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com</p>	<p><b>Lanka Securities (Private) Limited</b> 3rd Floor, "M2M Veranda Offices", No34, W.A.D. Ramanayeke Mawatha, Colombo 2.</p> <p>Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com</p>
<p><b>LOLC Securities Limited</b> No.481, T.B. Jayah Mawatha, Colombo 10.</p> <p>Tel: +94 11 758 2000 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com</p>	<p><b>Nestor Stock Brokers (Private) Limited</b> The Landmark Building, No 385, Galle Road, Colombo 03.</p> <p>Tel: +94 11 475 8813 Fax: +94 11 2 550 100 E-mail: info@nestorstockbrokers.lk</p>

<p><b>NDB Securities (Private) Limited</b></p> <p>Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04.</p> <p>Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk</p>	<p><b>Richard Pieris Securities (Pvt) Limited</b></p> <p>No. 310, Highlevel Road, Nawinna, Maharagama.</p> <p>Tel: +94 11 4 310 500 Fax: +94 11 2 802 385 E-mail: communication@rpsecurities.com</p>
<p><b>Senfin Securities Limited</b></p> <p>4th Floor, No.180, Bauddhaloka Mawatha, Colombo 04.</p> <p>Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@senfinsecurities.com</p>	<p><b>Softlogic Stockbrokers (Private) Limited</b></p> <p>Level 16, One Galle Face Tower, Colombo 02.</p> <p>Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: info@softlogicstockbrokers.lk</p>
<p><b>S C Securities (Private) Limited</b></p> <p>5th Floor, No. 26 B, Alwis Place, Colombo 03.</p> <p>Tel: +94 11 4 711 000 / +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk</p>	<p><b>Somerville Stockbrokers (Private) Limited</b></p> <p>410/95,1/1, Bauddhaloka Mawatha, Colombo 7</p> <p>Tel: +94-11 2 502 858/ 62 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk</p>
<p><b>Wealthtrust Securities Limited</b></p> <p>No. 102/1, Dr. N.M. Perera Mawatha, Colombo 8.</p> <p>Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-Mail: info@wealthtrust.lk</p>	<p><b>Seylan Bank PLC</b></p> <p>Level 3, Seylan Towers, 90, Galle Road, Colombo 03</p> <p>Tel: +94 11 245 6300 Fax: +94 11 245 2215 E-Mail: info@seylan.lk</p>

**ANNEXURE III - CUSTODIAN BANKS**

<b>Bank of Ceylon1 (Head Office)</b> 11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01 T: +94 11 2 204 064	<b>Citi Bank, N A</b> 65 C, Dharmapala Mawatha, Colombo 07 T: +94 11 4 794 733
<b>Commercial Bank of Ceylon PLC</b> Commercial House, 21, Bristol Street, Colombo 01 T: +94 11 2 440010-15	<b>Deutsche Bank AG</b> 86, Galle Road, Colombo 03 T: +94 11 2 447 062, 2 438 057
<b>Hatton National Bank PLC</b> HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 T: +94 77 7 712 406	<b>The Hong Kong and Shanghai Banking Corporation Limited</b> 24, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2325435, 2446591, 2446303
<b>People's Bank (Head Office)</b> Treasury, 5th Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 T: +94 11 2 206 782	<b>Standard Chartered Bank</b> 37, York Street, Colombo 01 T: +94 11 2 480 450
<b>Sampath Bank PLC</b> 110, Sir James Peiris Mawatha, Colombo 02 T: +94 11 5 331 458, +94 11 4 730 662	<b>State Bank of India</b> 16, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 4 622 350
<b>Seylan Bank PLC</b> Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 T: +94 11 4 701 812, +94 11 4 701 819	<b>Union Bank of Colombo PLC</b> 64, Galle Road, Colombo 03 T: +94 11 2 374 205
<b>Nations Trust Bank PLC</b> 256, Sri Ramanathan Mawatha, Colombo 15 T: +94 11 4 313 131	<b>Pan Asia Bank</b> 450, Galle Road, Colombo 03 T: +94 11 2 565 565
<b>National Development Bank PLC</b> No.40, Navam Mawatha, Colombo 02 T: +94 (0) 11 2 448 448	<b>DFCC Bank PLC</b> No.73/5, Galle Road, Colombo 03. T: +94 112 442 031

**ANNEXURE IV – FATCA DECLARATION**

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Manager

Mahindra Ideal Finance Limited

.....

I/We.....

.....and.....

.....of.....

(address).....holder/s of Passport Number/  
NIC Number..... who fall under definition of a US Persons under the provision of the Foreign Account  
Tax Compliance Act (“FATCA”) which is a US legislation aimed at preventing tax evasion by US persons through  
overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires “US  
Persons” to report their financial assets held overseas.

I/We hereby request Mahindra Ideal Finance Limited which is recognized as a Foreign Financial Institutions (FFIs)  
in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the  
Mahindra Ideal Finance Limited and to remit any tax payable to the Internal Revenue Services (IRS) of the United  
States of America. I/We further confirm that this request is made by me/us with full knowledge and  
understanding of FATCA.

Date:.....

Signature/s of Applicants