

20th January, 2021

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

Name of the Scrip: Mahindra Rural Housing Finance Limited

Dear Sir,

Sub: Outcome of the Board Meeting

Pursuant to the clause 1.2 of annexure II of the SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, giving framework for listing of Commercial Paper (the original circular), as amended, we are enclosing a copy of the Unaudited (Limited Review) Financial Results of the Company for the third quarter and nine months ended 31st December, 2020, which have been prepared for the purpose of consolidation with the accounts of parent Company, i.e. Mahindra & Mahindra Financial Services Limited, and approved by the Board of Directors of the Company at its meeting held today i.e. on 20th January, 2021, along with the limited review report of the Statutory Auditors thereon.

Further, we wish to inform you that, the Board of Directors of the Company, at their Meeting held on 20th January, 2021, upon the recommendation of the Nomination and Remuneration Committee, and subject to the approval of shareholders, have re-appointed Mr. Anuj Mehra as the Managing Director of the Company for a period of six months from 1st April, 2021 to 30th September, 2021.

Thanking you,

Yours faithfully,

For Mahindra Rural Housing Finance Limited

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Navin Joshi
Company Secretary

Regd. Office:

Mahindra Towers, 4th Floor, Dr. G.M. Bhosale Marg, Worli, Mumbai 400 018 India
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CIN : U65922MH2007PLC169791
Email: investorhelpline.mrhfl@mahindra.com

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Limited review report on unaudited quarterly financial results and year-to-date results of Mahindra Rural Housing Finance Limited under Regulation 33 and Regulation 52 of the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and period ended 31 December 2020

To Board of Directors of Mahindra Rural Housing Finance Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Mahindra Rural Housing Finance Limited (“the Company”) for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared for submission to the stock exchange, pursuant to circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, as amended, which requires a company to prepare financial results for the purpose of consolidated financial results of its parent company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”). The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulations 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and additional line items as required under Regulation 52(4) of the Listing Regulations including the manner in which it is to be disclosed or that it contains any material misstatement.

Registered Office:

Limited review report on unaudited quarterly financial results and year-to-date results of Mahindra Rural Housing Finance Limited under Regulation 33 and Regulation 52 of the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended 31 December 2020 (Continued)

Mahindra Rural Housing Finance Limited

5. As described in Note 2 to the Statement, in respect accounts where moratorium benefit was granted, the staging of those accounts at 31 December 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further, the extent to which the Covid-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our review report is not modified in respect of the above matters.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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LAKHANI

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Sagar Lakhani

Partner

Membership No: 111855

UDIN No: 21111855AAAAAF2367

Mumbai
20 January 2021

Mahindra Rural Housing Finance Limited

CIN : U65922MH2007PLC169791

Registered Office: Mahindra Towers, P.K.Kurane Chowk, Worli, Mumbai 400 018.
Corporate Office: Sadhna House, 2nd Floor, Behind Mahindra Towers, 570, P.B. Marg, Worli, Mumbai 400 018.
Telephone No. : 91 22 6652 3500

Website : www.mahindrahomofinance.com ; Email : customercare.mrhfl@mahfin.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

Rs. in lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
i) Interest income	34,974.27	37,060.88	38,965.80	110,267.73	111,686.16	151,293.77
ii) Dividend income	-	-	-	-	243.16	243.16
iii) Fees and commission income	-	264.57	200.67	430.97	533.92	714.51
iv) Net gain on fair value changes	121.33	338.12	49.88	552.80	57.73	2.08
I Total revenue from operations	35,095.60	37,663.57	39,216.35	111,251.50	112,520.97	152,253.52
II Other income	350.59	55.99	142.01	435.26	184.71	506.99
III Total income (I+II)	35,446.19	37,719.56	39,358.36	111,686.76	112,705.68	152,760.51
Expenses						
i) Finance costs	16,069.74	15,392.80	15,098.98	45,803.92	44,553.16	59,499.68
ii) Fees and commission expense	46.10	45.62	49.68	123.03	159.64	200.05
iii) Impairment on financial instruments	8,723.81	4,646.06	1,723.97	23,799.18	11,330.32	26,112.52
iv) Employee benefits expenses	6,269.37	6,373.70	7,279.34	17,985.42	23,190.31	30,659.74
v) Depreciation and amortization and impairment	373.90	405.81	408.06	1,187.77	1,273.80	1,695.74
vi) Other expenses	2,861.62	2,581.04	3,279.78	7,743.82	10,466.64	14,032.86
IV Total expenses (IV)	34,344.54	29,445.03	27,839.81	96,643.14	90,973.87	132,200.59
V Profit before tax (III -IV)	1,101.65	8,274.53	11,518.55	15,043.62	21,731.81	20,559.92
VI Tax expense :						
(i) Current tax	1,848.60	442.90	1,599.40	2,291.50	2,515.40	6,850.00
(ii) Deferred tax	(1,891.67)	2,090.86	981.89	1,097.69	4,526.91	(1,025.98)
(iii) (Excess) / Short Provision for Income Tax - earlier years	-	-	(119.80)	-	(119.80)	(119.80)
	(43.07)	2,533.76	2,461.49	3,389.19	6,922.51	5,704.22
VII Profit for the period (V-VI)	1,144.72	5,740.77	9,057.06	11,654.43	14,809.30	14,855.70
VIII Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss						
- Remeasurement gain / (loss) on defined benefit plans	(9.91)	(22.89)	(60.46)	(41.82)	(118.09)	(132.68)
(ii) Income tax relating to the above	2.49	5.76	15.22	10.52	29.72	17.79
Other Comprehensive Income	(7.42)	(17.13)	(45.24)	(31.30)	(88.37)	(114.89)
IX Total Comprehensive Income for the period (VII+VIII)	1,137.30	5,723.64	9,011.82	11,623.13	14,720.93	14,740.81
X Earnings per equity share #						
(Face value - Rs. 10/- per share)						
Basic (Rupees)	0.94	4.73	7.47	9.60	12.21	12.24
Diluted (Rupees)	0.93	4.68	7.39	9.51	12.08	12.12

Earnings per share for the interim period is not annualised.

Notes:

- 1) The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and accordingly, these financial results together with the results for the comparative reporting period have been prepared for submission to the stock exchange, pursuant to circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, as amended, which requires a Company to prepare financial results for the purpose of consolidated financial results of its parent company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") and in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 ('the Act'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 33 and Regulations 52 of the Listing Regulations.

Any application guidance/ clarifications/ directions issued by National Housing Bank (NHB) or other regulators are implemented as and when they are issued/ applicable.

- 2) In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium upto six months on the payment of installments falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has a cumulative management overlay of Rs. 11,677.83 lakhs as at 31 December 2020, to reflect deterioration in the macroeconomic outlook. Further, the Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and does not foresee any challenges in the liquidity position for the coming 12 months. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

- 3) In the quarter ended 30 September 2020, in view of the Supreme Court interim order dated 3 September 2020 (PIL by Gajendra Sharma Vs. Union of India & Anr), no additional borrower accounts were classified as impaired (non-performing assets), which were not declared non-performing till 31 August 2020. Basis the said interim order the Company has not classified any additional borrower account as NPA as per the National Housing Bank or other regulatory prescribed norms, after 31 August 2020 which were not NPA as of 31 August 2020. However, for the quarter and nine months ended on 31 December 2020, the Company has classified such accounts as stage 3 and provisioned accordingly for financial reporting purposes.
- 4) The Members at their Extraordinary General Meeting held on 31 August 2017 approved the MRHFL Employee Stock Option Scheme – 2017 (MRHFL ESOS – 2017) and also approved grant, from time to time, of up to 37,86,459 Employee Stock Options in one or more tranches. 1,55,891 options are granted to employees face value Rs. 10/- each, during the nine months period ended 31 December 2020. (Previous year : 2,95,110 options)
- 5) The above financial results for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 20 January 2021.
- 6) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 7) All secured NCD's issued by the Company are secured by pari-passu charges on its Pune office and/or exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% of outstanding secured NCD's.
- 8) The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act, 1961 and the Finance (No. 2) Act 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate and has recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate since September 2019.
- 9) The commercial paper have been listed on the Bombay Stock Exchange Limited (BSE Limited) in accordance with Securities and Exchange Board of India (SEBI) circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115, as amended. The outstanding balance of commercial paper borrowings as on 31 December 2020 is NIL.
- 10) Additional compliance with regulation 52 (4) of the Listing Regulations is attached herewith as Annexure 1.

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

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Date : 20 January 2021
Place : Mumbai

Anuj Mehra
Managing Director

Annexure 1 : Compliance as per regulation 52 (4) of the (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”)

1 Credit Rating:

		Current Rating	Previous rating
Non Convertible Debenture / Subordinated Debt	INDIA Ratings	IND AA+/Stable	IND AA+/Stable
Non Convertible Debenture / Subordinated Debt	CRISIL Ratings	CRISIL AA+/Stable	CRISIL AA+/Stable
Non Convertible Debenture / Subordinated Debt	CARE Ratings	CARE AA+/Stable	CARE AA+/Stable

2 **Asset Cover Available** : All secured NCD’s issued by the Company are secured by pari-passu charges on its Pune office and/or exclusive charge on receivables under loan contracts, owned assets and book debts to the extent of 100% or such higher security cover as may be stipulated under the respective term sheet of outstanding secured NCD’s.

- 3 Debt Equity Ratio as of 31 December 2020: 5.53:1
 4 Outstanding redeemable preference shares (quantity and value): NIL
 5 Capital redemption reserve/debenture redemption reserve: Not Applicable
 6 Net worth as per section 2(57) of the Companies Act, 2013 as of 31 December 2020: Rs. 1,36,651.81 Lakhs
 7 Net profit after tax for the nine months ended 31 December 2020: Rs. 11,654.43 Lakhs
 8 Earnings per share (Basic) for the period ended 31 December 2020: Rs. 9.60
 9 Previous due date for the payment of Interest / Principal from the period 1 October 2020 to 31 December 2020 for Debentures

SERIES_ID	ISSUE_SIZE (in Lakhs)	ALLOTMENT_DT	MATURITY_DT	DUE_DT	ISIN_NO	DUE_CATEGORY
MRHFL-GG2017	10,000.00	13-Oct-17	06-Oct-20	06-Oct-20	INE950007206	Principal+ Interest
MRHFL-CCC	3,500.00	13-Oct-15	13-Oct-25	13-Oct-20	INE950008022	Interest
MRHFL-EEE	3,000.00	05-May-16	05-May-26	05-Nov-20	INE950008048	Interest
MRHFL-FF2018*	16,000.00	01-Aug-18	29-Jun-23	18-Nov-20	INE950007297	Interest
MRHFL-FF2016	2,500.00	22-Nov-16	22-Nov-21	23-Nov-20	INE950007065	Interest
MRHFL-KKK	1,700.00	24-Nov-16	24-Nov-26	24-Nov-20	INE950008105	Interest
MRHFL-BB2019	20,000.00	23-Dec-19	28-Dec-20	23-Dec-20	INE950007339	Interest
MRHFL-BB2019	20,000.00	23-Dec-19	28-Dec-20	28-Dec-20	INE950007339	Principal+ Interest

*Unlisted

10 Previous due date for the payment of Interest / Principal from the period 1 October 2020 to 31 December 2020 for Commercial Paper : Not Applicable

11 Next due date for the payment of Interest / Principal from the period 1 January 2021 to 31 March 2021 for Debentures:

SERIES_ID	ISSUE_SIZE (in Lakhs)	ALLOTMENT_DT	MATURITY_DT	DUE_DT AS PER TERM SHEET	ISIN_NO	DUE_CATEGORY
MRHFL-AAA2019	10,000.00	21-Jan-20	21-Jan-30	21-Jan-21	INE950008162	Interest
MRHFL-HH2017	2,500.00	22-Jan-18	20-Jan-23	22-Jan-21	INE950007214	Interest
MRHFL-II2017	5,000.00	23-Mar-18	25-Mar-21	25-Mar-21	INE950007222	Principal+ Interest
MRHFL-HH2018	1,500.00	28-Mar-19	26-Mar-21	26-Mar-21	INE950007313	Principal+ Interest
MRHFL-LL2016	1,000.00	27-Mar-17	26-Mar-27	27-Mar-21	INE950007123	Interest

12 Next due date for the payment of Interest / Principal from the period 1 January 2021 to 31 March 2021 for Commercial Paper : Not Applicable

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

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Anuj Mehra
Managing Director

Date : 20 January 2021
Place : Mumbai