

17th July, 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 quarter ended 30th June, 2021, 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 17th July, 2021, along with the limited review report of the Statutory Auditors thereon.

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
Tel: +91 22 66526000 | Fax: +91 22 24984170/71 | www.mahindrahomefinance.com
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

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited Review Report on Unaudited Quarterly Financial Results under Regulation 33 and Regulation 52 of the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Mahindra Rural Housing Finance Limited for the quarter ended 30 June 2021

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 30 June 2021 ("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. Attention is drawn to the fact that the figures for the three months ended 31 March 2021 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit

Registered Office:

Limited Review Report on Unaudited Quarterly Financial Results under Regulation 33 and Regulation 52 of the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Mahindra Rural Housing Finance Limited for the quarter ended 30 June 2021 (*Continued*)

Mahindra Rural Housing Finance Limited

5. 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.
6. As more fully described in Note 2 to the Statement, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain. Our review report is not modified in respect of this matter.
7. As more fully described in Note 4 to the Statement, the Company has restructured borrower accounts in accordance with the Resolution Framework for COVID-19 related stress announced by the Reserve Bank of India vide notification dated 5 May 2021. Based on the terms of restructuring and management's credit evaluation, the Company has classified certain restructured borrower accounts as non-impaired (under Ind AS 109, Financial Instruments) at 30 June 2021. Our review report is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

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

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Sagar Lakhani

Partner

Membership No: 111855

UDIN No: 21111855AAAAEB5563

Mumbai

17 July 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.mahindrashomefinance.com ; Email : customercare.mrhfl@mahfin.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

Rs. in lakhs

Particulars	3 Months Ended	3 Months Ended	3 Months Ended	Year Ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
	Unaudited	Audited (refer note 11)	Unaudited	Audited
Revenue from operations				
i) Interest income	32,508.61	33,139.88	38,232.58	1,43,407.61
ii) Fees and commission income	46.62	54.83	166.40	485.80
iii) Net gain on fair value changes	89.63	397.85	93.35	950.65
I Total revenue from operations	32,644.86	33,592.56	38,492.33	1,44,844.06
II Other income	767.45	187.51	28.68	622.77
III Total income (I+II)	33,412.31	33,780.07	38,521.01	1,45,466.83
Expenses				
i) Finance costs	14,073.21	14,460.86	14,341.38	60,264.78
ii) Fees and commission expense	56.16	74.25	31.31	197.28
iii) Impairment on financial instruments	18,660.86	2,402.84	10,429.31	26,202.02
iv) Employee benefits expenses	6,995.03	8,357.27	5,342.35	26,342.69
v) Depreciation, amortization and impairment	375.64	408.45	408.06	1,596.22
vi) Other expenses	2,619.33	3,589.31	2,301.16	11,333.13
IV Total expenses (IV)	42,780.23	29,292.98	32,853.57	1,25,936.12
V Profit / (Loss) before tax (III -IV)	(9,367.92)	4,487.09	5,667.44	19,530.71
VI Tax expense :				
(i) Current tax	-	2,493.50	-	4,785.00
(ii) Deferred tax	(2,832.50)	(1,235.32)	898.50	(137.63)
(iii) (Excess) / Short Provision for Income Tax - earlier years	-	(217.25)	-	(217.25)
	(2,832.50)	1,040.93	898.50	4,430.12
VII Profit / (Loss) for the period / year (V-VI)	(6,535.42)	3,446.16	4,768.94	15,100.59
VIII Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
- Remeasurement gain / (loss) on defined benefit plans	74.42	10.10	(9.02)	(31.72)
(ii) Income tax relating to the above	(18.73)	(2.54)	2.27	7.98
Other Comprehensive Income	55.69	7.56	(6.75)	(23.74)
IX Total Comprehensive Income / (Loss) for the period / year (VII+VIII)	(6,479.73)	3,453.72	4,762.19	15,076.85
X Earnings per equity share #				
(Face value - Rs. 10/- per share)				
Basic (Rupees)	(5.37)	2.84	3.93	12.43
Diluted (Rupees)	(5.37)	2.82	3.89	12.35

Earnings per share for the interim period is not annualised.

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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 and accordingly, these financial results together with the results for the comparative reporting period have 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 ('the Act'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

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

- 2) In accordance with the board approved moratorium policy read with the 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 in previous year 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 (including on assets restructured in accordance with the guidelines issued by the RBI vide its circular no. RBI/2021-22/32DOR.STR.REC.12/21.04.048/2021-22 on Resolution Framework – 2.0 : Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021) of Rs. 9,937.47 lakhs as at 30 June 2021, to reflect deterioration in the macroeconomic outlook and uncertainty in credit evaluations. 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 highly 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) During the current period, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI vide its circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 on Resolution Framework – 2.0 : Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021. This is in continuation to the restructuring plan implemented for the customers as per the RBI circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 on Resolution Framework for COVID-19-related Stress dated 6 August 2020.

Disclosure as per format prescribed under circular no.RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the period ended 30 June 2021 for the restructuring plans implemented as per RBI circular dated 6 August 2020.

					Rs. in lakhs
Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others - Housing Loan	39	335.69	-	-	53.27

Disclosure as per format prescribed under circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 for the period ended 30 June 2021 for the restructuring plans implemented as per RBI circular dated 5 May 2021

					Rs. in lakhs
SN	Description	Individual Borrowers			
		Personal Loans	Business Loans	Small Business	
(A)	Number of requests received for invoking resolution process under Part A	1,99,511	-	-	
(B)	Number of accounts where resolution plan has been implemented under this window	1,92,961	-	-	
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	1,86,881.19	-	-	
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-	
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-	
(F)	Increase in provisions on account of the implementation of the resolution plan	7,489.28	-	-	

- 4) Of the total loan accounts which were restructured during the quarter, vide RBI circular no. RBI/2021-22/32DOR.STR.REC.12/21.04.048/2021-22 dated 5 May 2021, for 1,66,181 cases, having an outstanding amount of Rs. 1,75,685.33 lakhs, basis their credit assessment and the terms of restructuring, the Company has classified such loan accounts as non impaired (Stage 2 under Ind AS 109, Financial Instruments). The Company has evaluated the same basis life time repayment history of the borrowers and other qualitative factors, which have been approved by the Audit Committee of the Company in line with RBI circular no. RBI/2019-20/170DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.
- 5) 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 previous year ended 31 March 2021.
- 6) The above financial results for the quarter ended 30 June 2021 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 17 July 2021.

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- 7) There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 8) 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.
- 9) The Reserve Bank of India vide its circular reference RBI/2020-21/60 DOR.NBFC (HFC). CC. No. 118/03.10.136/2020-21 dated 22 October 2020 has made applicable the circular no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, outlining the requirement to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 30 June 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 10) The commercial paper have been listed on the 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 30 June 2021 is NIL.
- 11) Figures for the quarter ended 31 March 2021 represent the difference between the audited figures in respect of the full financial year and the reviewed figures for the nine months ended 31 December 2020.
- 12) 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 : 17 July 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 : Not Applicable

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 30 June 2021:

5.45:1

Debt Equity Ratio = ((Debt Securities+ Borrowings other than debt securities + subordinated liabilities) / (equity share capital + other equity))

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 30 June 2021:

Rs. 1,33,853.95 Lakhs

7 Net profit / (loss) after tax for the period ended 30 June 2021:

Rs. (6,535.42) Lakhs

8 Earnings per share (Basic) for the period ended 30 June 2021:

Rs. (5.37)

9 Previous due date for the payment of Interest / Principal from the period 01 April 2021 to 30 June 2021 for Debentures

SERIES_ID	ISSUE_SIZE (in Lakhs)	ALLOTMENT_DT	MATURITY_DT	DUE_DT	ISIN_NO	DUE_CATEGORY
MRHFL-BBB	2,500.00	29-Apr-15	29-Apr-25	29-Apr-21	INE950O08014	Interest
MRHFL-DDD	1,500.00	29-Apr-16	29-Apr-26	29-Apr-21	INE950O08030	Interest
MRHFL-JJ2017	10,000.00	27-Mar-18	30-Apr-21	30-Apr-21	INE950O07230	Principal+ Interest
MRHFL-AA2016	500.00	03-May-16	03-May-21	03-May-21	INE950O07016	Principal+ Interest
MRHFL-EEE	3,000.00	05-May-16	05-May-26	05-May-21	INE950O08048	Interest
MRHFL-FFF	1,500.00	06-May-16	06-May-26	06-May-21	INE950O08055	Interest
MRHFL-AAA2017	1,000.00	17-May-17	17-May-24	17-May-21	INE950O08113	Interest
MRHFL-FF2018*	16,000.00	01-Aug-18	29-Jun-23	18-May-21	INE950O07297	Interest
MRHFL-GGG	600.00	18-May-16	18-May-26	18-May-21	INE950O08063	Interest
MRHFL-BBB2017	1,000.00	19-May-17	19-May-27	19-May-21	INE950O08121	Interest
MRHFL-HHH	1,000.00	20-May-16	20-May-26	20-May-21	INE950O08071	Interest
MRHFL-AA2017	2,500.00	24-May-17	24-May-22	24-May-21	INE950O07149	Interest
MRHFL-BB2017#	6,000.00	26-May-17	15-Jan-24	27-May-21	INE950O07156	Interest
MRHFL-CCC2017#	2,500.00	30-May-17	28-May-27	31-May-21	INE950O08139	Interest
MRHFL-III	400.00	30-May-16	29-May-26	31-May-21	INE950O08089	Interest
MRHFL-AA2018	3,510.00	01-Jun-18	01-Jun-28	01-Jun-21	INE950O07248	Interest
MRHFL-BB2018	8,500.00	08-Jun-18	04-Jun-21	04-Jun-21	INE950O07255	Principal+ Interest
MRHFL-BB2016	3,000.00	07-Jun-16	07-Jun-21	07-Jun-21	INE950O07024	Principal+ Interest
MRHFL-DDD2017	5,000.00	15-Jun-17	15-Jun-27	15-Jun-21	INE950O08147	Interest
MRHFL-CC2018	7,500.00	25-Jun-18	22-Mar-24	25-Jun-21	INE950O07263	Interest
MRHFL-AA2019	15,000.00	27-Jun-19	25-Jun-21	25-Jun-21	INE950O07321	Principal+ Interest
MRHFL-DD2018	30,000.00	29-Jun-18	29-Jul-21	29-Jun-21	INE950O07271	Interest

*Unlisted

Captured actual payment date on account of public holiday

10 Previous due date for the payment of Interest / Principal from the period 01 April 2021 to 30 June 2021 for Commercial Paper:- Not Applicable

11 Next due date for the payment of Interest / Principal from the period 1 July 2021 to 30 September 2021 for Debentures:

SERIES_ID	ISSUE_SIZE (in Lakhs)	ALLOTMENT_DT	MATURITY_DT	DUE_DT AS PER TERM SHEET	ISIN_NO	DUE_CATEGORY
MRHFL-AA2020	20,000.00	15-Jul-20	15-Jul-22	15-Jul-21	INE950O07347	Interest
MRHFL-BB2020	20,000.00	15-Jul-20	14-Jul-23	15-Jul-21	INE950O07354	Interest
MRHFL-CC2020	10,000.00	15-Jul-20	15-Jul-25	15-Jul-21	INE950O07362	Interest
MRHFL-EE2018	6,000.00	25-Jul-18	22-Jul-21	22-Jul-21	INE950O07289	Principal+ Interest
MRHFL-EE2018 (Reissuance)	2,700.00	05-Sep-18	22-Jul-21	22-Jul-21	INE950O07289	Principal+ Interest
MRHFL-JJJ	2,500.00	25-Jul-16	24-Jul-26	26-Jul-21	INE950O08097	Interest
MRHFL-DD2018	30,000.00	29-Jun-18	29-Jul-21	29-Jul-21	INE950O07271	Principal+ Interest
MRHFL-AAA2018	3,500.00	07-Aug-18	07-Aug-28	07-Aug-21	INE950O08154	Interest
MRHFL-FF2017	12,000.00	11-Aug-17	22-Mar-23	11-Aug-21	INE950O07198	Interest
MRHFL-DD2020U	18,500.00	13-Aug-22	12-Aug-22	13-Aug-21	INE950O08170	Interest
MRHFL-EE2020	20,000.00	16-Sep-20	15-Sep-23	16-Sep-21	INE950O07370	Interest
MRHFL-FF2020U	40,000.00	16-Sep-20	15-Sep-23	16-Sep-21	INE950O08188	Interest
MRHFL-GG2018	5,600.00	15-Oct-18	27-Sep-21	27-Sep-21	INE950O07305	Principal+ Interest
MRHFL-GG2018 (Reissuance)	1,000.00	25-Oct-18	27-Sep-21	27-Sep-21	INE950O07305	Principal+ Interest

12 Next due date for the payment of Interest / Principal from the period 1 July 2021 to 30 September 2021 for Commercial Paper : Not Applicable

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

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Date : 17 July 2021
Place : Mumbai

Anuj Mehra
Managing Director