

19th July 2022

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

Name of the Scrip: Mahindra Rural Housing Finance Limited

Dear Sir,

Sub.: Outcome of the Board Meeting held today i.e. on 19th July 2022

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, we wish inform you that the Board of Directors at its Meeting held today i.e. 19th July 2022 has, *inter-alia* considered and approved the unaudited limited review financial results of the Company for the quarter ended 30th June 2022.

Accordingly, we are enclosing:

- i. A copy of the unaudited limited review financial results of the Company for the quarter ended 30th June 2022.
- ii. The Disclosure/Statement as required under Regulation 52(4) of the Listing Regulations.
- iii. Limited Review Report, issued by Statutory Auditors, Gokhale & Sathe, Chartered Accountants on the aforesaid financial results.

Please take the above on record.

Thanking you.

Yours faithfully,

For Mahindra Rural Housing Finance Limited



Navin Joshi
Company Secretary



Encl: As above.



Limited Review Report on unaudited quarterly Ind AS Financial Results pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Mahindra Rural Housing Finance Limited for the quarter ended 30th June, 2022.

To
The Board of Directors of
Mahindra Rural Housing Finance Limited

1. We have reviewed the accompanying unaudited Ind AS Financial Results of Mahindra Rural Housing Finance Limited ("the Company") for the quarter ended June 30, 2022. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with applicable financial reporting framework. Our responsibility is to express a conclusion on this interim financial information based on our review.
2. This Statement which is the responsibility of the Company's management and approved by the Company's Board of Directors in its meeting held on July 19, 2022 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 as amended, read with relevant Rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended ("the Listing Regulations"). Our responsibility is to express a conclusion 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. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in 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 March 31, 2022 as reported in the Statement are the balancing figures between audited figures in respect of the full financial year 2021-2022 and the published year to date figures up to the third quarter of the financial year 2021-2022. The figures up to the end of the third quarter of financial year 2021-2022 had only been reviewed and not subjected to audit.





5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act 2013 as amended, read with relevant Rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 2 to the Statement, which explains that the company has restructured borrower accounts in accordance with the "Resolution framework-2.0: Resolution of Covid-19 related stress of Individual and Small Businesses" announced by the Reserve Bank of India vide notification dated 5th 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 June 30, 2022. Our conclusion on the Statement is not modified in respect of this matter.
7. The unaudited financial results of the Company for the quarter ended June 30, 2021 included in the Statement have been reviewed by the predecessor auditor who has issued unmodified conclusion vide their report dated July 17, 2021. These have not been reviewed by us and we have relied upon the report of the predecessor auditor made available to us by the Company for the purpose of our limited review. Our conclusion on the Statement is not modified in respect of this matter.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No.103264W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 22129389ANFZEG7792



Place: Mumbai
Date: July 19, 2022.

Mahindra Rural Housing Finance Limited

CIN : U65922MH2007PLC169791

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

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

Rs. in lakhs

Particulars	3 Months ended	3 Months ended	3 Months ended	Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	Audited (refer Note 12)	Unaudited	Audited
Revenue from operations				
i) Interest income	31,976.33	32,385.82	32,508.61	1,34,469.03
ii) Fees and commission income	479.92	85.64	46.62	248.70
iii) Net gain / (loss) on fair value changes	(821.66)	(427.02)	89.63	67.46
iv) Net gain on derecognised financial instruments	1,256.52	930.10	765.68	2,909.24
I Total revenue from operations	32,891.11	32,974.54	33,410.54	1,37,694.43
II Other income	5.22	37.09	1.77	54.51
III Total income (I+II)	32,896.33	33,011.63	33,412.31	1,37,748.94
Expenses				
i) Finance costs	12,403.65	12,038.54	14,073.21	51,808.48
ii) Fees and commission expense	130.87	97.91	56.16	363.48
iii) Impairment on financial instruments	6,243.15	6,483.27	18,660.86	31,884.47
iv) Employee benefits expenses	8,901.48	9,547.07	6,995.03	32,131.33
v) Depreciation and amortization and impairment	480.92	395.82	375.64	1,510.48
vi) Other expenses	4,509.36	4,530.67	2,619.33	14,278.69
IV Total expenses (IV)	32,669.43	33,093.28	42,780.23	1,31,976.93
V Profit / (Loss) before tax (III -IV)	226.90	(81.65)	(9,367.92)	5,772.01
VI Tax expense :				
(i) Current tax	448.60	4,385.77	-	4,385.77
(ii) Deferred tax	(466.61)	(4,177.28)	(2,832.50)	(3,150.64)
(iii) (Excess) / Short Provision for Income Tax - earlier years	-	(236.39)	-	(236.39)
	(18.01)	(27.90)	(2,832.50)	998.74
VII Profit / (Loss) for the period / year (V-VI)	244.91	(53.75)	(6,535.42)	4,773.27
VIII Other Comprehensive Income				
(A) (i) Items that will not be reclassified to profit or loss				
- Remeasurement gain / (loss) on defined benefit plans	(124.91)	(58.32)	74.42	(135.82)
(ii) Income tax relating to the above	31.44	14.68	(18.73)	34.18
Subtotal (A)	(93.47)	(43.64)	55.69	(101.64)
(B) (i) Items that will be reclassified to profit or loss				
- Net gain / (loss) on debt instruments through OCI	(310.82)	(22.24)	-	(86.22)
(ii) Income tax impact thereon	78.23	5.60	-	21.70
Subtotal (B)	(232.59)	(16.64)	-	(64.52)
Other Comprehensive Income	(326.06)	(60.28)	55.69	(166.16)
IX Total Comprehensive Income / (Loss) for the period / year (VII+VIII)	(81.15)	(114.03)	(6,479.73)	4,607.11
X Earnings per equity share #				
(Face value - Rs. 10/- per share)				
Basic (Rupees)	0.20	(0.04)	(5.37)	3.92
Diluted (Rupees)	0.20	(0.04)	(5.37)	3.90

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 and accordingly, these financial results together with the results for the comparative reporting periods 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 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations'). The accounting policies and methods followed for the current period are consistent in approach to that adopted in the audited financial statements for the previous year ended 31 March 2022.

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) During the previous year, the Company had 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, The Company has a cumulative management overlay on restructured assets of Rs. 5,171.82 lakhs as at 30 June 2022. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.
- 3) On 12 November 2021, Reserve Bank of India (RBI) issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition & Asset Classification Norms (IRAC). On 15 February 2022, RBI issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 providing time till 30 September 2022 for implementation of necessary systems to give effect to the requirements under the 12th November circular. The Company has taken necessary steps for effective implementation of necessary systems.

RBI has also clarified that this circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs. Accordingly, the financial results for the quarter ended 30 June 2022 and previous year ended 31 March 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended as the Company continues to follow the extant model provisioning norms, as per the Board approved Expected Credit Loss (ECL) policy.

- 4) 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 exceed the total provision required under IRACP (including standard asset provisioning) as at 30 June 2022 and accordingly, no amount is required to be transferred to Impairment Reserve.
- 5) The above financial results for the quarter ended 30 June 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 19 July 2022.
- 6) A limited review of the financial results for the quarter ended 30 June 2022 have been carried out by the Statutory Auditors of the Company.
- 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 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 2022 is NIL.
- 10) Asset cover available as on 30 June 2022 in case of listed secured debt securities is 1.04 and on unsecured debt is 1.16.
- 11) Figures for the quarter ended 31 March 2022 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 2021.
- 12) Previous period figures have been regrouped/ reclassified wherever necessary, to conform to current period classification.
- 13) Additional compliance with regulation 52 (4) of the Listing Regulations is attached herewith as Annexure 1.



Date : 19 July 2022
Place : Mumbai

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



Rajnish Agarwal

Rajnish Agarwal
Managing Director

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

Ratios	3 Months ended	3 Months ended	3 Months ended	Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	Audited	Unaudited	Audited
1 Debt equity ratio ((debt securities + borrowings other than debt securities + subordinated liabilities) / (equity share capital + other equity))	4.47:1	4.56:1	5.45:1	4.56:1
2 Debt service coverage ratio	NA	NA	NA	NA
3 Interest service coverage ratio	NA	NA	NA	NA
4 Outstanding redeemable preference shares (nos. in Lakhs)	-	-	-	-
5 Outstanding redeemable preference shares (Values)	-	-	-	-
6 Capital redemption reserve / debenture redemption reserve	-	-	-	-
7 Net Worth (equity share capital + other equity) (Rs. In Lakhs)	1,45,560.40	1,45,450.72	1,33,853.95	1,45,450.72
8 Current Ratio	NA	NA	NA	NA
9 Long term debt to working capital	NA	NA	NA	NA
10 Bad debts to account receivable ratio	NA	NA	NA	NA
11 Current liability ratio	NA	NA	NA	NA
12 Total debts to total assets % (Debt Securities + Borrowings (other than debt securities) + Subordinated Debts) / Total Assets	78.29%	77.99%	80.95%	77.99%
13 Debtors turnover ratio	NA	NA	NA	NA
14 Inventory turnover	NA	NA	NA	NA
15 Operating margin (%)	NA	NA	NA	NA
16 Net profit/(loss) margin (%) (profit/(loss) after tax / total income)	0.74%	-0.16%	-19.56%	3.47%
17 Gross Non Performing Assets ("GNPA") (gross stage III loans/gross loans)	14.49%	11.33%	18.16%	11.33%
18 Net Non Performing Assets ("NNPA") (gross stage III loans - impairment loss allowance for stage III) / (gross loans - impairment loss allowance for stage III)	9.95%	8.47%	13.78%	8.47%
19 Provision Coverage Ratio ("PCR") (Impairment loss allowance for Stage III / Gross Stage III Loans)	34.79%	27.54%	27.93%	27.54%
20 Liquidity Coverage Ratio (LCR) % (Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days)	60.00%	62.00%	NA	62.00%
21 Net profit / (loss) after tax (Rs. In Lakhs)	244.91	(53.75)	(6,535.42)	4,773.27
22 Earnings per share (Basic)	0.20	(0.04)	(5.37)	3.92



Date : 19 July 2022
Place : Mumbai

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



Rajnish Agarwal
Rajnish Agarwal
Managing Director