

> 1.5 million
customers

> 1,50,000
villages

> 500
offices



Transforming **Rural Lives**

Annual Report 2010-11



Rise MANIFESTO

Today is another perfect day, to defy the world's naysayers.

Today, we will think bigger than our size.

Today, we will refuse to accept limitations.

Today, we will not be held back by the past.

Today, we will focus on the future - and never, ever blink.

Today, we will break down another barrier...

Scoff at another convention...

And use alternative thinking...

To solve another previously unsolvable problem.

Today, we will accomplish something astounding...

And in the process, change someone's life for the better.

Today, Mahindra will set an example for the world.

With boldness.

With confidence.

With relentless optimism.

Good morning.

Today is another perfect day...

To ***Rise***.



The design, on the cover of the report, demonstrates a Rubik's cube, a 3-D mechanical puzzle, named after the Hungarian sculptor and professor of architecture Erno Rubik. In a typical Rubik's cube each colour pattern must match to create a holistic oneness. At Mahindra Finance, we are focusing on transforming lives of the disadvantaged sections of society, especially in the rural and semi-urban spectrum; so that one day India's socio-economic fabric resembles an ensemble of perfect harmony. As that in a completely solved Rubik's cube. The one on the cover, is still not uniformly matched. Because the journey is on. Remarkably, the journey, more than our accomplishments, have enriched us as a sensitive corporate and a responsible social entity.

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Corporate Information

Directors

Bharat Doshi - Chairman
Uday Y. Phadke - Vice Chairman
Pawan Goenka
Dhananjay Mungale
M. G. Bhide
Piyush Mankad
Rama Bijapurkar
Ramesh Iyer - Managing Director

Chief Financial Officer

V. Ravi

Company Secretary

Arnavaz M. Pardiwala

Registered Office

Gateway Building, Apollo Bunder,
Mumbai - 400 001.

Corporate Office

Mahindra Towers, 4th Floor,
Dr. G. M. Bhosale Marg,
P. K. Kurne Chowk, Worli,
Mumbai - 400 018.

Committees of the Board

AUDIT COMMITTEE

Dhananjay Mungale - Chairman
M. G. Bhide
Rama Bijapurkar

REMUNERATION/ COMPENSATION COMMITTEE

Piyush Mankad - Chairman
Bharat Doshi
Dhananjay Mungale

Uday Y. Phadke
M. G. Bhide

SHARE TRANSFER AND SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Uday Y. Phadke - Chairman
Ramesh Iyer
M. G. Bhide

ASSET LIABILITY COMMITTEE

Dhananjay Mungale - Chairman
Uday Y. Phadke
Ramesh Iyer

RISK MANAGEMENT COMMITTEE

Dhananjay Mungale - Chairman
M. G. Bhide
Rama Bijapurkar

NOMINATION COMMITTEE

Piyush Mankad
Bharat Doshi
Dhananjay Mungale
Uday Y. Phadke
M. G. Bhide

Auditors

B. K. Khare & Co.
Chartered Accountants,
706/708, Sharda Chambers,
Mumbai - 400 020.

Solicitors

Khaitan & Co.
One Indiabulls Centre,
13th Floor,
841, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013.

Registrar And Share Transfer Agents

Karvy Computershare Pvt. Ltd.
Plot No. 17-24,
Vittalrao Nagar, Madhapur,
Hyderabad - 500 081.

Bankers

Bank of America
Bank of Baroda
Bank of India
Bank of Maharashtra
Barclays Bank PLC
BNP Paribas Ltd.
Canara Bank
Central Bank of India
Chinatrust Commercial Bank
Citibank NA
Corporation Bank
Dena Bank
Deutsche Bank AG
Federal Bank Limited
FirstRand Bank Limited
HDFC Bank Ltd.
HSBC Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
ING Vysya Bank Ltd.
Kotak Mahindra Bank Ltd.
Punjab National Bank
Standard Chartered Bank
State Bank of India
State Bank of Bikaner and Jaipur
Syndicate Bank
The Bank of Novascotia
The Dhanalakshmi Bank Ltd.
The Jammu & Kashmir Bank Ltd.
The Royal Bank of Scotland
UBS AG
Yes Bank Ltd.



Transforming Rural Lives

It is common knowledge that India today is fast emerging as a potential economic superpower. It has an expanding economy, a vast working population and a rising per capita income.

But what is not commonly known is that despite such sterling achievements India still lives in its villages. More than 70% of India's population still live in over 640,000 villages and fast developing small towns. Thus a considerable portion of national income and growth emanate from the savings and investments of the non-urban multitude, who also aspire for a better quality of life.

At Mahindra Finance, our consistent effort has always been to provide not just credit, but confidence to the financially disadvantaged people of rural and semi-urban India, driving their aspirations and elevating their lives. We support our customers and partner their progress in life through bespoke solutions, meaningful suggestions and flexible re-payment options.

We are inspired by our Group philosophy of Rise, which captures a sense of optimism about the future and a determination to empower the borrowers to shape their own destiny.

In our business, we are implementing the tenets of Rise by encouraging borrowers to think beyond boundaries, catalysing product-process innovation, defying limits in policy execution, and driving positive change in stakeholder lives.



Unseen and unheard faces across the vast social spectrum represent our biggest opportunity

For more than a decade, Mahindra Finance has contributed substantially to India's retail finance segment, helping shape a new and confident India.

We have established a strong nationwide footprint, focusing primarily on rural and semi-urban India through personalised financing of utility vehicles, tractors, cars, home loans and personal loans. Mahindra Finance has been consistently serving the people at the lower-middle and bottom of the social pyramid, understanding their aspirations and empathising with their limitations and day-to-day challenges. Since the very beginning of our journey we have tried to support the unreached and unbanked millions of Indians; people whose

latent aspirations never find expression owing to the lack of a suitable collateral and reliable credit history.

At Mahindra Finance, we provide loans to people based on not what they are, but what they can be. In other words, their future earning potential. Thus we have established ourselves as a potent force, helping drive the nation's agenda of inclusive growth.

Mission

Transform rural lives and drive positive change in the communities.

To be the leading finance company in semi-urban and rural India and maintain leadership position in the financing of Mahindra vehicles.

Vision

Core Values

Our core values are influenced by our past, tempered by our present and will shape our future. They are an amalgamation of what we have been, what we are and what we want to do.

Customer first

We exist and prosper only because of the customer. We will respond to the changing needs and expectations of our customers speedily, courteously, and effectively.

Quality focus

Quality is the key to delivering value for money to our customers. We will make quality a driving value in our work, in our product and in our interactions with others. We will do it 'First Time Right'.

Dignity of the individual

We will value individual dignity, uphold the right to express disagreement and respect the time and efforts of others. Through our actions, we will nurture fairness, trust and transparency.

Professionalism

We have always sought the best people for the job and given them the freedom and the opportunity to grow. We will continue to do so. We will support innovation and well reasoned risk rating, but will demand professionalism.

Good corporate citizenship

As in the past, we will continue to seek long-term success, which is in alignment with our country's needs. We will do that without compromising ethical business standards.

The Rise Philosophy

In January 2011, we launched a new brand positioning spanning all industries, companies, and geographies. The new brand positioning, expressed by the word “Rise”, is amplified by a simple group core purpose: **“We will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives’ of our stakeholders and communities across the world, to enable them to Rise.”**

Rise captures a sense of optimism about the future and a determination to shape one's own destiny. It means that our products and services empower our customers to achieve their aspirations. From providing farmers in rural India with equipment and agri-services that help them raise farm productivity to building reliable pickups for businessmen, from creating IT solutions for some of the world's leading companies to pioneering green real estate in India, we enable our customers to achieve a better future.

Building a strong, universally relevant brand is a key driver of business success. Rise is expected to play a major role in our plans to build a strong global presence and market leadership to become a truly global multinational. Rise unifies the varied perceptions of brand Mahindra across our existing companies, from automotive to retail. It also provides a clear guiding principle for all Group companies to follow.

The idea of “Rise” arose from 18 months of in-depth conversations with employees and customers. It is an articulation of values the Group has always held. The idea of Rise rests on three brand pillars: **accepting no limits, alternative thinking,** and **driving positive change.** Accepting no limits means taking on big challenges - like building the Scorpio, our groundbreaking indigenous SUV, at a fraction of the cost of developing it abroad. Alternative thinking means fostering innovation and looking for creative solutions-like using solar power to bring electricity to rural India. Driving positive change means positively impacting all the lives we touch, from employees to customers to the communities we operate in - like offering loans to entrepreneurs in rural India.

In addition to guiding our product and service development, Rise has important implications for the internal working of the group. It is currently driving internal business transformation to help all of us to live our core purpose and enable the group to achieve its goal of becoming a leading global player. We are reevaluating processes from HR policies to brand and digital architecture to drive positive change in our employees' work experience, our business success and our relationships with all our stakeholders.

At Mahindra Finance, we believe the Rise philosophy is a succinct articulation of what we have been doing over the last 15 years-whether it be going into rural India before it became fashionable to do so (Accepting no limits), or deploying IT solutions to serve our scattered customers (Alternative thinking) or providing credit to under-banked customers and turning them into entrepreneurs (Driving positive change). Going forward, Rise will act as a catalyst to spur growth across all our financial services businesses. It will guide decisions from entry into new business segments to how we serve our customers to our employee policies. Rise will enable us to align our actions with our overall vision, so we can deliver value to both, our stakeholders and the local communities that we serve. Through Rise, we expect to not only achieve high business growth, but also to partner actively in transforming rural lives by enhancing and maintaining financial prosperity.