

# Mahindra Financial to raise up to Rs15,000 cr this fiscal year from lenders, sale of bonds

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**M**ahindra and Mahindra Financial Services Ltd is looking to raise Rs10,000-15,000 crore this fiscal year through various routes including a bond sale, its vice-chairman and managing director Ramesh G. Iyer said on Monday.

The company needs to inject fresh capital to shore up lending to Rs35,000-37,000 crore this year, the same as in the previous year, he added.

Mahindra Financial expects around Rs24,000 crore to come in from repayment of loans. The balance will be raised from banks, sale of bonds and financial institutions, according to Iyer.

The company's shareholders have already cleared an



*Mahindra Financial chairman and MD Ramesh G. Iyer.*

enabling resolution to raise up to Rs40,000 crore. Mahindra Financial has plans to raise up to \$300 million from so-called masala bonds, or rupee-denominated offshore debt instruments, Iyer said.

"In the next couple of weeks, we will know how we

are proceeding on that," Iyer said, referring to the masala bonds. The company is ready, and it will decide on the overseas bond sale based on interest rate, he added.

Mahindra Financial, which is owned 51.19% by Mahindra and Mahindra Ltd, is a rural-

focused non-banking financial company that lends for buying tractors, commercial vehicles and pre-owned vehicles.

The company's subsidiary Mahindra Rural Housing Finance Ltd makes small loans for home improvement.

This unit, which has a loan of portfolio of around Rs6,700 crore, typically makes loans of Rs1-1.25 lakh repayable over 3-5 years.

It also makes loans for purchase of rural homes but the segment currently accounts for 2-3% of the housing loan portfolio. Going forward, the subsidiary will focus on making bigger loans of Rs6-8 lakh for purchase of affordable homes in rural areas.

This segment by 2020 is expected to account for 15-20% of the housing finance subsidiary's loan portfolio, according to Iyer.