



**Mahindra & Mahindra
Financial Services Limited**
Sadhana House, 2nd, Floor,
Behind Mahindra Towers,
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Mumbai - 400 018, India.
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22nd February, 2011

The Secretary
National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051.

Tel. No. 2659 8235/26598346

Fax No: 26598237/26598238/26598347/26598348

Dear Sir,

**Sub: Press Release – Issue of 61,33,205 Equity Shares to
Qualified Institutional Buyers under the Qualified
Institutions Placement**

With reference to the issue of 61,33,205 Equity Shares to Qualified Institutional Buyers under the Qualified Institutions Placement, we enclose herewith a copy of the Press Release being issued today in this regard by the Company.

This is for your information and records.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For Mahindra & Mahindra Financial Services Limited

Arnavaz

**Arnavaz Pardiwalla
Company Secretary & Compliance Officer**

Encl : a/a





Press Release

For Immediate Publication

Mahindra Finance

Mahindra Finance QIP oversubscribed by almost 4 times

Mumbai, 22nd February, 2011: Mahindra & Mahindra Financial Services Limited (Mahindra Finance), one of the leading players in providing financial services in the rural and semi-urban markets has successfully concluded the capital-raising exercise of Rs.426.26 crores through the issue of 61,33,205 Equity Shares at a price of Rs. 695 per equity share including a premium of Rs. 685 per equity share which is a 3.4% premium to the SEBI Floor Price of Rs.672.75 a share. The Company received bids of approximately over Rs. 1,575 Crores.

Despite it being launched in markets clouded by bearish sentiments, the first Qualified Institutions Placement (QIP) offering, an important capital market initiative by the Company, received an overwhelming response, as seen by the high-levels of subscription and strong participation from International Institutional Investors.

Post the QIP issue, Mahindra & Mahindra Limited, the parent Company will hold fifty-six percent of the shareholding in the Company. The new shares issued under QIP will be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Kotak Mahindra Capital Company, Citigroup Global Markets India Private Limited and JM Financial Consultants Private Limited acted as the book-running lead managers for this QIP.

The funds raised will be effectively deployed to augment the long term resources by way of enhancing the Tier I capital base, leverage the available business opportunities, provide funding for loans to the Company's customers and for general corporate purposes.

The Company's capital adequacy which was at 17.37% as of 31st December 2010 will be further enhanced post the QIP issue.

About Mahindra Finance

Mahindra Finance, part of the US\$ 7.1 billion Mahindra Group, is one of India's leading non-banking financial companies (NBFCs) with a pan India presence. Focused on the rural and semi-urban markets, it provides finance for utility vehicles, tractors and cars and has the largest network of branches amongst NBFCs operating in these areas.

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For further information please contact:

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