

23rd April, 2014

The Manager - Listing Department,
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

Name of the Scrip: Mahindra & Mahindra Financial Services Limited

Scrip Code : M&MFIN

Dear Sir,

Sub.: Audited Financial Results for the year ended 31st March,2014

We enclose a copy of the Audited Financial Results of the Company for the year ended 31st March, 2014, as approved by the Board of Directors at its meeting held on 23rd April, 2014, alongwith a copy of the Press Release.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

Mahindra & Mahindra Financial Services Limited

Arnavaz

Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a



Mahindra & Mahindra Financial Services Limited
Registered Office: Gateway Building, Apollo Bunder, Mumbai 400 001.

PART - I
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2014

Particulars	Rs. in Lacs				
	Quarter ended				Year ended (Audited)
	31st March 2014	31st Dec 2013	31st March 2013	31st March 2014	
	(Audited) *	(Unaudited)	(Audited) *		
1 Income from operations	136020.91	126581.33	111029.15	492163.21	385672.15
Total Income from operations	136020.91	126581.33	111029.15	492163.21	385672.15
2 Expenses:					
a) Employee benefits expense	10082.17	6712.76	5390.59	29733.41	22340.20
b) Depreciation and amortization expense	640.18	582.94	579.98	2429.62	2224.33
c) Loan provisions and write off	7475.23	17962.28	3285.32	50578.57	28334.34
d) Other expenses	12205.12	17982.44	15144.78	59180.56	49632.86
Total expenses	30402.70	43240.42	24400.67	141922.16	102531.73
3 Profit from operations before other income, finance costs and exceptional items (1-2)	105618.21	83340.91	86628.48	350241.05	283140.42
4 Other income	1043.88	531.45	1527.97	3137.24	3797.75
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	106662.09	83872.36	88156.45	353378.29	286938.17
6 Finance costs	59748.15	58914.69	44713.11	218801.45	161876.50
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	46913.94	24957.67	43443.34	134576.84	125061.67
8 Exceptional items (net) (refer note no. 8)	-	-	2858.21	-	2858.21
9 Profit from ordinary activities before tax (7+8)	46913.94	24957.67	46301.55	134576.84	127919.88
10 Tax expense	15844.09	8543.00	12920.70	45854.09	39650.70
11 Net profit after taxes for the period / year (9-10)	31069.85	16414.67	33380.85	88722.75	88269.18
12 Paid-up equity share capital (face value of Rs.2/- each)				11270.50	11260.40
13 Reserves				498151.10	434197.48
14 Earnings per share #					
a) Basic (Rs.)	5.52	2.91	6.08	15.75	16.59
b) Diluted (Rs.)	5.46	2.89	6.01	15.60	16.40

Earnings per share for the Interim period is not annualised.



PART - II

SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

	Particulars	Quarter ended			Year ended	
		31st March 2014	31st Dec 2013	31st March 2013	31st March 2014	31st March 2013
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	272317459	272030568	271812515	272317459	271812515
	- Percentage of shareholdings	47.88%	47.83%	47.79%	47.88%	47.79%
2	Promoters and Promoter Group shareholding :					
	a) Pledged / encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of shares	296447501	296734392	296952445	296447501	296952445
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	52.12%	52.17%	52.21%	52.12%	52.21%

	Particulars	Quarter ended 31st March 2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	7
	Disposed off during the quarter	7
	Remaining unresolved at the end of the quarter	-



STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2014

Rs. in Lacs

	Particulars	Quarter ended			Year ended (Audited)	
		31st March 2014	31st Dec 2013	31st March 2013	31st March 2014	31st March 2013
		(Audited) *	(Unaudited)	(Audited) *		
1	Income from operations	146616.92	135857.97	118518.06	527522.73	409498.79
	Total Income from operations	146616.92	135857.97	118518.06	527522.73	409498.79
2	Expenses:					
	a) Employee benefits expense	13715.60	12362.97	9770.35	49450.51	37928.82
	b) Depreciation and amortization expense	689.58	630.38	616.97	2608.05	2365.90
	c) Loan provisions and write off	7747.92	18276.52	3290.17	51898.42	28815.02
	d) Other expenses	11801.01	15642.89	13355.14	51849.11	42913.81
	Total expenses	33954.11	48912.76	27032.63	155806.09	112023.55
3	Profit from operations before other income, finance costs and exceptional items (1-2)	112662.81	88945.21	91485.43	371716.64	297475.24
4	Other income	984.46	462.67	414.56	2532.55	1797.35
5	Profit from ordinary activities before finance costs and exceptional items(3+4)	113647.27	89407.88	91899.99	374249.19	299272.59
6	Finance costs	62436.98	61409.19	46396.90	228096.44	167059.05
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	51210.29	27998.69	45503.09	146152.75	132213.54
8	Exceptional items (net) (refer note no. 8)	-	-	3052.27	-	3052.27
9	Profit from ordinary activities before tax (7+8)	51210.29	27998.69	48555.36	146152.75	135265.81
10	Tax expense	17207.68	9510.94	13876.46	49675.33	42375.08
11	Net profit after taxes for the period / year (9-10)	34002.61	18487.75	34678.90	96477.42	92890.73
12	Minority interest	351.41	251.75	42.39	1035.28	187.19
13	Net profit after taxes and minority interest (11-12)	33651.20	18236.00	34636.51	95442.14	92703.54
14	Paid-up equity share capital (face value of Rs.2/- each)				11270.50	11260.40
15	Reserves				518099.02	446695.15
16	Earnings per share #					
	a) Basic (Rs.)	5.97	3.24	6.30	16.95	17.43
	b) Diluted (Rs.)	5.92	3.21	6.23	16.78	17.23

Earnings per share for the Interim period is not annualised.



PART - II

SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

	Particulars	Quarter ended			Year ended	
		31st March 2014	31st Dec 2013	31st March 2013	31st March 2014	31st March 2013
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	272317459	272030568	271812515	272317459	271812515
	- Percentage of shareholdings	47.88%	47.83%	47.79%	47.88%	47.79%
2	Promoters and Promoter Group shareholding :					
	a) Pledged / encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of shares	296447501	296734392	296952445	296447501	296952445
	- Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	52.12%	52.17%	52.21%	52.12%	52.21%



AUDITED STATEMENT OF ASSETS AND LIABILITIES

		Rs. in Lacs			
		STANDALONE		CONSOLIDATED	
	Particulars	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
A	EQUITY AND LIABILITIES				
	1 Shareholders' funds				
	a) Share capital	11270.50	11260.40	11270.50	11260.40
	b) Reserves and surplus	498151.10	434197.48	518099.02	446695.15
		509421.60	445457.88	529369.52	457955.55
	Sub-total - Shareholders' funds				
	2 Minority interest	-	-	3647.83	2367.17
	3 Non-current liabilities				
	a) Long-term borrowings	1690318.88	1301532.69	1825376.57	1381540.40
B	b) Other long-term liabilities	27641.82	24297.19	27701.56	24297.19
	c) Long term provisions	31801.27	31038.95	33309.64	31838.92
	Sub-total - Non-current liabilities	1749761.97	1356868.83	1886387.77	1437676.51
	4 Current liabilities				
	a) Short term borrowings	124428.36	130124.23	151027.60	158191.25
	b) Trade payables	43785.76	47884.32	45074.04	48934.04
	c) Other current liabilities	649114.91	503721.46	698126.60	535330.50
	d) Short term provisions	90059.68	65184.98	92116.10	66824.09
	Sub-total - Current liabilities	907388.71	746914.99	986344.34	809079.88
	TOTAL - EQUITY AND LIABILITIES	3166572.28	2549241.70	3405749.46	2707079.11
B	ASSETS				
	1 Non-current assets				
	a) Fixed assets	11953.34	10677.68	12867.30	11363.73
	b) Goodwill on consolidation	-	-	4.05	4.05
	c) Non-current investments	52627.59	34511.43	37895.56	24168.13
	d) Deferred tax assets (Net)	31506.64	23820.72	32535.84	24208.08
	e) Long-term loans and advances	1577945.52	1291978.98	1772994.08	1416627.37
	f) Other non-current assets	13593.00	17056.50	13643.00	17106.50
	Sub-total - Non-current assets	1687626.09	1378045.31	1869939.83	1493477.86
	2 Current assets				
B	a) Current investments	34289.13	21585.34	34289.13	21585.34
	b) Trade receivables	1435.36	981.30	2289.90	1573.78
	c) Cash and bank balances	55328.88	34542.75	57043.28	36796.59
	d) Short-term loans and advances	1363752.32	1111860.38	1438062.21	1151376.89
	e) Other current assets	4140.50	2226.62	4125.11	2268.65
	Sub-total - Current assets	1478946.19	1171196.39	1535809.63	1213601.25
	TOTAL - ASSETS	3166572.28	2549241.70	3405749.46	2707079.11

Notes:

- 1) The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 23rd April, 2014.
- 2) The Board of Directors have recommended a dividend of Rs.3.80 per share on equity share of Rs.2/- each. The dividend will absorb a sum of Rs.25157.82 lacs (including dividend distribution tax).
- 3) The Consolidated results include the financial results of the subsidiaries Mahindra Insurance Brokers Ltd. (85%), Mahindra Rural Housing Finance Ltd. (87.50%), Mahindra Business & Consulting Services Private Ltd. (100%), Mahindra Asset Management Company Private Limited (99.99%) and financial results of a (49%) Joint Venture company, Mahindra Finance USA LLC, in the United States. The standalone financial results of Mahindra Finance USA LLC, which does not constitute material component of the consolidated financial results have neither been audited nor reviewed by the statutory auditors.
- 4) The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with Segment Reporting.
- 5) The Company has complied with the prudential guidelines issued by the Reserve Bank of India in respect of Income Recognition and Provision for Non-Performing Assets.
- 6)* The figures for the last quarter of the current year and of the the previous year are the balancing figures between audited figures in respect of the full financial year and the published year- to-date figures up to third quarter.
- 7) During the quarter ended 31st March, 2014, the Company has made an initial investment of Rs.5.00 lacs in 49998 equity shares of face value of Rs.10/- each in Mahindra Asset Management Company Private Limited, a newly formed subsidiary, which was incorporated on 20th June, 2013.
- 8) Exceptional items (net) for the year ended 31st March, 2013 included the following -
 - i) Profit of Rs.6426.21 lacs on a standalone basis (Rs.6620.27 lacs on a consolidated basis) on sale of equity shares of subsidiary company, Mahindra Insurance Brokers Ltd.
 - ii) Additional general provision on standard assets amounting to Rs.3568.00 lacs, which the Company had decided to create on a prudent basis from the quarter/year ended 31st March, 2013.
- 9) In the standalone results, Other expenses for the quarter and year ended 31st March, 2014 includes Rs.1391.85 lacs and Rs.15011.59 lacs respectively (quarter ended 31st December, 2013 : Rs.4926.51 lacs, quarter and year ended 31st March, 2013 : Rs.3656.70 lacs and Rs.13823.84 lacs respectively) incurred towards professional fees for manpower services provided by Mahindra Business & Consulting Services Private Ltd. During the quarter, some of the employees were transferred on the payrolls of the Company and the cost of these employees of Rs. 2237.26 lacs is included in employee benefits expense for the quarter and the year ended 31st March, 2014.
- 10) Previous period/year figures have been regrouped / reclassified, wherever found necessary, to conform to current period/year classification.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Ltd.



Date : 23rd April, 2014
Place : Mumbai

Ramesh Iyer
Managing Director

Press Release

For Immediate Dissemination

Mahindra Finance

F-2014 AUM up by 22% Crosses Rs.34000 crores

F-2014 Consolidated Revenue up by 29% Crosses Rs.5000 crores

F-2014 Consolidated PBT up by 14% at Rs.1462 crores

Board Recommends 190% Dividend

Customer Base Crossed 3 Million

Mumbai, April 23, 2014: The Board of Directors of Mahindra & Mahindra Financial Services Limited (Mahindra Finance), a leading provider of financial services in the rural and semi-urban markets, announced today, the audited financial results for the quarter and year ended 31st March 2014.

F-2014 Consolidated Results

The **Total Revenue** increased by **29%** to **Rs.5301 crores** from Rs.4113 crores in the corresponding period last year. The **Profit Before Tax (PBT)** after considering the exceptional item on account of additional provision on standard assets of Rs.36 crores in previous year grew by **14%** to **Rs.1462 crores** during the year ended 31st March, 2014 as compared to Rs.1286 crores during the corresponding period last year. The Company has continued making higher provision on standard assets at the above rate during the year as prescribed by Reserve Bank of India. The **Profit After Tax (PAT)** during the year ended 31st March, 2014 was **Rs.954 crores**.

F-2014 Q4 Consolidated Results

The **Total Revenue** increased by **24%** to **Rs.1476 crores** from Rs.1189 crores in the corresponding quarter last year. The **Profit Before Tax (PBT)** after considering the exceptional item on account of additional provision on standard assets of Rs.36 crores in corresponding quarter last year grew by **22%** to **Rs.512 crores** during the quarter ended 31st March, 2014 as compared to Rs.419 crores during the corresponding quarter last year. The Company has continued making higher provision on standard assets at the above rate during the year as prescribed by Reserve Bank of India. The **Profit After Tax (PAT)** for the quarter ended 31st March, 2014 was at **Rs.337 crores**.

F-2014 Standalone Results

The **Total Revenue** increased by **27%** to **Rs.4953 crores** from Rs.3895 crores in the corresponding period last year. The **Profit Before Tax (PBT)** after considering the exceptional item on account of additional provision on standard assets of Rs.36 crores in previous year grew by **11%** to **Rs.1346 crores** during the year ended 31st March, 2014 as compared to Rs.1215 crores during the corresponding period last year. The Company has continued making higher provision on standard assets at the above rate during the year as prescribed by Reserve Bank of India. The **Profit After Tax (PAT)** during the year ended 31st March, 2014 was **Rs.887 crores**.

F-2014 Q4 Standalone Results

The **Total Revenue** increased by **22%** to **Rs.1371 crores** from Rs.1126 crores in the corresponding quarter last year. The **Profit Before Tax (PBT)** after considering the exceptional item on account of additional provision on standard assets of

Rs.36 crores in corresponding quarter last year grew by **18%** to **Rs.469 crores** during the quarter ended 31st March, 2014 as compared to Rs.399 crores during the corresponding quarter last year. The Company has continued making higher provision on standard assets at the above rate during the year as prescribed by Reserve Bank of India. The **Profit After Tax (PAT)** for the quarter ended 31st March, 2014 was at **Rs.311 crores**.

Dividend

The Board in its meeting held today recommended a dividend of 190% as against 180% (including a special dividend of 10%) paid during the last year.

Operations

Mahindra Finance, during the year ended 31st March, 2014, had a disbursement of Rs.25400 crores, maintaining its leadership position for vehicles and tractors in the rural and semi urban markets.

The Company maintained healthy growth of business and profits despite slowdown in auto and tractor industry and continuing high cost of borrowings through control of transaction cost and high collection efficiency levels.

The Company has taken special efforts to ensure controlling of NPA accounts. The new branches opened by the Company at the village levels are aimed at improving collections and providing services closer to customers' doorsteps.

Mahindra Finance currently has a network of **893 offices** and **Total Assets Under Management of Rs.34133 crores** as on 31st March, 2014 as against Rs.27913 crores as on 31st March, 2013, a growth of **22%**.

During the year, the Company's customer base has crossed the **3 million** mark in the month of January 2014.

The Company continued to broad base its consortium of lenders by bringing in new Banks, Mutual Funds, Insurance Companies and Trusts.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the year ended 31st March 2014, MIBL registered Revenue at **Rs.111.2 Crores** as against Rs.86.3 Crores, registering a growth of **29%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs.42.0 Crores** as against Rs.34.5 Crores, registering a growth of **22%** over the same period previous year.

During the quarter ended 31st March 2014, MIBL registered Revenue at **Rs.32.5 Crores** as against Rs.25.7 Crores, registering a growth of **26%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs.13.0 Crores** as against Rs.10.8 Crores, registering a growth of **20%** over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the year ended 31st March 2014, MRHFL **disbursed Rs. 630.6 Crores** as against Rs.432.9 Crores during the previous year, registering a growth of **46 %** over the previous year. MRHFL registered **Revenue at Rs.212.5 crores** as against Rs.140.4 crores, registering a growth of **51%** over the previous year. The **Profit After Tax (PAT)** was **Rs. 27.1 Crores** as against Rs. 20.3 Crores, registering a growth of **33%** over the same period previous year.

During the quarter ended 31st March 2014, MRHFL **disbursed Rs. 238.9 Crores** as against Rs. 151.6 Crores during the same period previous year, registering a growth of **58%** over the same period previous year. MRHFL registered **Revenue at Rs.65.9 crores** as against Rs.43.4 crores, a growth of **52%** over the same period previous year. The **Profit After Tax (PAT)** was **Rs. 12.5 Crores** as against Rs. 8.7 Crores, registering a growth of **44 %** over the same period previous year.

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (MMFSL), part of the USD 16.7 billion Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the company has over 3 million customers and has an AUM of over USD 5 billion. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has over 900 offices across the country and is the first finance company from India to form a part of Dow Jones Sustainability Index.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services.

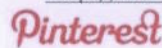
Mahindra Rural Housing Finance Limited (MRHFL), another subsidiary of MMFSL provides loans for purchase, renovation, construction of houses to individuals in the rural areas of the country. The regulator, National Housing Bank (NHB) has 12.5% equity stake in the Company.

The Company has a JV in US, Mahindra Finance USA, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US.

Visit us at www.mahindra.com

<http://www.mahindrafinance.com>

Our Social Media Channels -



For further enquiries

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