

Mahindra Finance

20th October, 2012

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 / 2659 8236

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**Mahindra & Mahindra
Financial Services Limited**
4th Floor, "A" Wing, Mahindra Towers,
Dr. G. M. Bhosale Marg, P. K. Kurne Chowk,
Worli, Mumbai - 400 018, India.
Tel.: (022) 2496 3492 / 6652 6000
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Name of the Scrip : Mahindra & Mahindra Financial Services Limited

Scrip Code : M&MFIN

Dear Sir,

**Sub: Audited Financial Results for the Second Quarter and
Half Year ended 30th September, 2012**

As required under Clause 41 of the Listing Agreement, we are enclosing a copy of the Standalone and Consolidated Audited Financial Results of our Company for the Second Quarter and Half Year ended 30th September, 2012, together with a copy of the Press Release. Also enclosed is the Auditor's Report for the Second Quarter and half year ended 30th September, 2012 by our Statutory Auditors, M/s. B. K. Khare & Co.

Kindly take the same on record.

Thanking you,

Yours faithfully,
Mahindra & Mahindra Financial Services Limited

Amaraz

 **Arnavaaz M. Pardiwalla**
Company Secretary & Compliance Officer

Encl: a/a



PART - I

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2012

(Rs. in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended
	30th September 2012	30th June 2012	30th September 2011	30th September 2012	30th September 2011	31st March 2012
1 Income from Operations	91572.49	83509.99	64101.41	175082.48	119485.23	276811.06
Total Income from Operations	91572.49	83509.99	64101.41	175082.48	119485.23	276811.06
2 Expenses:						
a) Employee benefits expense	5890.90	5837.65	5101.59	11728.55	10295.09	19977.07
b) Depreciation and amortization expense	559.95	523.34	493.59	1082.29	933.75	1966.32
c) Provisions and Write Off	8362.46	8535.00	3732.79	16897.46	9346.65	15702.00
d) Other Expenses	11234.31	10312.17	8208.73	21549.48	17264.88	37268.04
Total Expenses	26046.62	25009.16	10536.70	51254.78	37840.27	74901.43
3 Profit from Operations before Other Income, finance costs (1-2)	65525.87	58301.83	45564.71	123827.70	81644.96	201909.62
4 Other Income	1349.62	393.39	499.03	1743.01	1133.88	2648.33
5 Profit from Ordinary Activities before finance cost (3+4)	66875.49	58695.22	46064.54	125570.71	82778.84	204557.95
6 Finance Cost	38978.37	34748.15	25893.87	73726.52	47490.93	112032.35
7 Profit from Ordinary Activities before tax (5-6)	27897.12	23947.07	20160.67	51844.19	35287.91	92525.60
8 Tax Expense	9136.00	7843.00	6608.00	16979.00	11515.00	30513.93
9 Net Profit after taxes for the period / year (7-8)	18761.12	16104.07	13552.67	34865.19	23772.91	62011.67
10 Paid-up Equity Share Capital (Face Value of Rs.10/- each)				10275.84	10254.15	10258.75
11 Reserves						284832.31
12 Earnings Per Share #						
a) Basic (Rs.)	18.26	15.68	13.22	33.94	23.19	60.46
b) Diluted (Rs.)	18.04	15.48	13.03	33.52	22.85	59.63

Earnings per share for the interim period is not annualised.

PART - II

SELECT INFORMATION FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2012

Particulars	Quarter ended			Half year ended		Year ended
	30th September 2012	30th June 2012	30th September 2011	30th September 2012	30th September 2011	31st March 2012
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of shares	44516945	44483514	44300037	44516945	44300037	44446039
- Percentage of shareholdings	42.80%	42.77%	42.80%	42.80%	42.60%	42.73%
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	59485790	59519221	59702698	59485790	59702698	59566696
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	57.20%	57.23%	57.40%	57.20%	57.40%	57.27%

Particulars	Quarter ended 30th September 2012
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	16
Disposed off during the quarter	16
Remaining unresolved at the end of the quarter	-

PART - I

1	Income from Operations
2	Expenses:
	a) Employee benefits expense
	b) Depreciation and amortization
	c) Provisions and Write Offs
	d) Other Expenses
3	Profit from Operations before taxes
4	Other Income
5	Profit from Ordinary Activities
6	Finance Cost
7	Profit from Ordinary Activities
8	Tax Expense
9	Net Profit after taxes for continuing operations
10	Minority Interest
11	Net Profit after taxes and minority interest
12	Paid-up Equity Share Capital
13	Reserves
14	Earnings Per Share #
	a) Basic (Rs.)
	b) Diluted (Rs.)

Earnings per share for the year

PART - II

	PARTICULARS OF SHAREHOLDING
1	Public Shareholding
	- Number of shares
	- Percentage of shareholding
2	Promoters and Promoters' Group
	a) Pledged / Encumbered
	- Number of shares
	- Percentage of shares
	- Percentage of shareholding
	b) Non-encumbered
	- Number of shares
	- Percentage of shares
	- Percentage of shareholding

	Particulars	STANDALONE			CONSOLIDATED		
		As at 30th September 2012	As at 30th September 2011	As at 31st March 2012	As at 30th September 2012	As at 30th September 2011	As at 31st March 2012
A	EQUITY AND LIABILITIES						
1	Shareholders' funds						
	a) Share Capital	10275.84	10254.15	10268.75	10275.84	10254.15	10268.75
	b) Reserves and Surplus	319980.60	282979.74	284832.31	329599.32	269267.89	292838.56
	Sub-total - Shareholders' funds	330256.44	273233.89	285101.06	339876.16	279522.04	303107.31
2	Minority Interest	-	-	-	848.27	715.32	770.74
3	Non-current liabilities						
	a) Long-term borrowings	1043363.47	671655.85	929073.95	1091873.11	701673.31	991100.74
	b) Other Long-term liabilities	8232.35	5377.06	7804.35	8253.02	5377.06	4874.18
	c) Long term provisions	30241.87	30046.27	35371.24	30801.75	29245.13	35882.32
	Sub-total - Non-current liabilities	1081837.69	707079.18	972249.54	1130927.88	736295.50	1031857.24
4	Current liabilities						
	a) Short Term Borrowings	356435.20	255554.01	144913.51	374774.55	253891.44	143885.09
	b) Trade payables	40449.60	37816.88	37653.68	41240.60	38749.45	38132.75
	c) Other current liabilities	369831.01	356003.71	360059.68	390709.44	383846.02	377061.14
	d) Short term provisions	42785.14	41102.35	45178.35	43925.06	42868.23	47257.24
	Sub-total - Current liabilities	809501.03	690477.95	588805.22	850855.65	699355.14	606346.22
	TOTAL - EQUITY AND LIABILITIES	2221595.16	1670790.72	1856155.82	2322306.96	1715888.00	1942081.51
B	ASSETS						
1	Non-current assets						
	a) Fixed Assets	10202.94	8761.41	9892.30	10693.61	9046.72	10274.84
	b) Goodwill on consolidation	-	-	-	4.76	4.76	4.76
	c) Non-current investments	26997.15	16679.33	21313.04	18289.01	10341.30	14725.65
	d) Deferred tax assets (Net)	20464.03	22374.95	20121.03	20776.81	22493.08	20331.14
	e) Long-term loans and advances	1128029.65	806353.12	925770.91	1205072.20	842675.78	963940.17
	Sub-total - Non-current assets	1185693.77	854168.82	977097.28	1254835.39	884661.64	1009276.56
2	Current assets						
	a) Current investments	0.00	9084.19	28937.55	0.00	9084.19	28937.55
	b) Trade receivables	785.87	624.38	768.40	1205.36	842.75	1112.13
	c) Cash and cash equivalents	31024.26	25402.35	24521.03	33731.92	20925.07	27173.87
	d) Short-term loans and advances	1002884.65	780380.03	824077.07	1031545.82	793613.85	874836.96
	e) Other current assets	1205.80	1130.95	754.49	986.47	859.90	744.44
	Sub-total - Current assets	1035901.30	816621.00	879058.54	1067471.57	831326.36	932804.95
	TOTAL - ASSETS	2221595.16	1670790.72	1856155.82	2322306.96	1715888.00	1942081.51

Notes:

- 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 20th October, 2012.
- The Consolidated results includes the financial results of the subsidiaries Mahindra Insurance Brokers Ltd. (100%), Mahindra Rural Housing Finance Ltd. (87.50%), Mahindra Business & Consulting Services Private Ltd. (100%) and financial results of a (49%) Joint Venture company, Mahindra Finance USA LLC, in the United States which were neither audited nor reviewed.
- The Company has a single reportable segment, namely financial services for the purpose of Accounting Standard 17 on Segment Reporting.
- 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.
- During the quarter ended 30th September, 2012, the company has made an additional investment of Rs. 1229.95 lakhs (US \$ 2.21 million) in Mahindra Finance USA LLC, a Joint Venture company formed jointly with De Lage Landin Financial Services Inc. in the United States.
- In the standalone results, Other Expenses for the quarter includes Rs. 3466.79 lakhs (Quarter ended 30th June, 2012 : Rs. 3215.22 lakhs, Quarter ended 30th September, 2011 : Rs. 2277.61 lakhs) and for the half year includes Rs. 6682.01 lakhs (September 2011 : Rs. 4091.73 lakhs; March 2012: Rs. 9574.63 lakhs) incurred towards professional fees for manpower services provided by Mahindra Business & Consulting Services Private Ltd., a wholly owned subsidiary company.
- 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.

Ramesh Iyer
Managing Director

Date : 20th October, 2012
Place : Mumbai

Head Office : Mumbai

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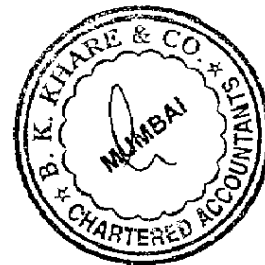
B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors
Mahindra & Mahindra Financial Services Limited

We have audited the quarterly financial results of Mahindra and Mahindra Financial Services Ltd. for the quarter ended 30 September 2012 and the year to date results for the period from 1 April 2012 to 30 September 2012, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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- Hotel Swaroop, 4th Floor, Lane No.10,
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Branch Office : Bengaluru

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- #6 K. H. Road, Shanthinagar, Bengaluru - 560027

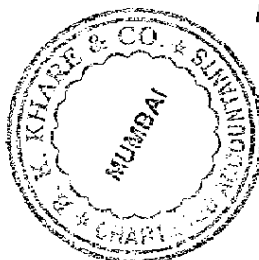
B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended **30 September 2012** as well as the year to date results for the period from **1 April 2012 to 30 September 2012**

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W



[Signature]
Padmini Khare Kaicker
Partner
M. No. 44784

Place: Mumbai

Date: 20 October, 2012

Head Office : Mumbai

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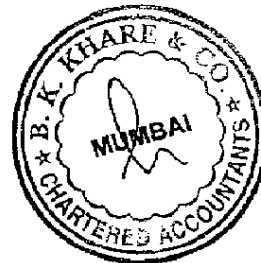
B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

**Auditor's Report On Quarterly Consolidated Financial Results and Consolidated Year to Date
Results of the Company Pursuant to the Clause 41 of the Listing Agreement**

To
Board of Directors
Mahindra & Mahindra Financial Services Limited

We have audited the quarterly consolidated financial results of Mahindra & Mahindra Financial Services Limited for the quarter ended 30 September 2012 and the consolidated year to date results for the period 1 April 2012 to 30 September 2012, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

**Branch Office : Pune**

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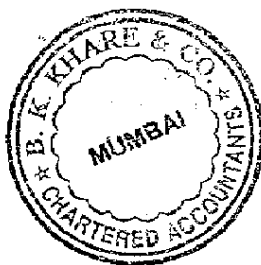
B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

We have neither audited nor reviewed the financial statements of its joint venture included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs. 54421.96 lakhs as at 30 September, 2012 as well as the total revenue of Rs. 1240.95 lakhs for the period 1 April 2012 to 30 September, 2012 and Rs. 668.00 lakhs as at the quarter ended 30 September, 2012.

In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

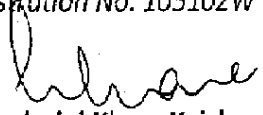
- (i) include the quarterly financial results and year to date of the following entities:
 - a. Mahindra Insurance Brokers Limited.
 - b. Mahindra Rural Housing Finance Limited.
 - c. Mahindra Business & Consulting Services Private Limited.
 - d. Mahindra Finance USA, LLC.
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended 30 September 2012 as well as the consolidated year to date results for the period from 1 April 2012 to 30 September 2012

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.



Place: Mumbai
Date: 20th October, 2012

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W


Padmini Khare Kaicker
Partner
M. No. 44784

Mahindra Finance

Press Release

For Immediate Publication

Mahindra Finance

F-2013 H1 PAT up by 50%

F-2013 H1 Income up by 49%

Mumbai, October 20, 2012: The Board of Directors of Mahindra & Mahindra Financial Services Limited (Mahindra Finance / MMFSL), a leading provider of financial services in the rural and semi-urban markets, announced today, the audited financial results for the half year ended 30th September 2012.

F-2013 H1 Standalone Results

The **Total Income** increased by **47%** at **Rs. 1768 Crores** during the half year ended 30th September 2012 as against Rs.1206 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs. 349 Crores** during the half year ended 30th September 2012 registering a growth of **47%** as compared to Rs. 238 Crores during the corresponding period last year.

F-2013 Q2 Standalone Results

The **Total Income** increased by **44%** at **Rs. 929 Crores** during the quarter ended 30th September 2012 as against Rs. 646 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs. 188 Crores** during the quarter ended 30th September 2012 registering a growth of **38%** as compared to Rs.136 Crores during the corresponding period last year.

Operations

MMFSL during the half year ended 30th September 2012, registered a disbursement growth of **25%** against the corresponding period last year, maintaining its leadership position for vehicles and tractors in the rural and semi urban markets. The Company has improved its performance as a car and utility vehicle financier and achieved growth in financing of Light and Heavy Commercial Vehicles and Construction Equipment.

The Company maintained healthy growth in its profits in spite of increased borrowing cost.

MMFSL currently has a network of **628 offices** and **Total Assets Under Management of Rs. 23770 Crores as on 30th September 2012.**

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 half year ended 30th September 2012, MIBL registered **income at Rs. 37.68 Crores** as against Rs.16.18 Crores, registering a growth of **133%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs. 14.00 Crores** as against Rs. 2.62 Crores, registering a growth of **434%** over the same period previous year.

During the quarter ended 30th September 2012, MIBL registered **income at Rs. 19.65 Crores** as against Rs.7.32 Crores, registering a growth of **168%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.7.02 crores** as against Rs. 0.90 Crores, registering a growth of **680%** over the same period previous year.

In September 2012, MIBL entered into a strategic partnership with LeapFrog Investments, the world's largest investor in insurance to under-served consumers. The investment, which is subject to necessary regulatory approval, will be through LeapFrog's subsidiary company, Inclusion Resources Pvt. Ltd. (IRPL), Singapore. Mahindra Finance will sell 12.37% equity stake in MIBL to IRPL. Also, fresh equity will be issued by MIBL to IRPL, thereby giving IRPL a 15% stake in MIBL.

Mahindra Rural Housing Finance Limited (MRHFL)

During the half year ended 30th September 2012, MRHFL **disbursed Rs. 176.90 Crores** as against Rs. 121.35 Crores during the same period previous year, registering a growth of **45.77%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of **64.89%** at **Rs. 6.20 Crores** as against Rs. 3.76 Crores registered for the same period previous year.

During the the quarter ended 30th September 2012, MRHFL **disbursed Rs. 106.20 Crores** as against Rs. 62.14 Crores during the same period previous year, registering a growth of **70.90%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of **80.7%** at **Rs. 3.72 Crores** as against Rs. 2.06 Crores registered for the same period previous year.

F-2013 H1 Consolidated Results

The **Total Income** increased by **49%** at **Rs.1862 crores** during the half year ended 30th September 2012 as against Rs.1248 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs. 364 Crores** during the half year ended 30th September 2012 registering a growth of **50%** as compared to Rs. 242 Crores during the corresponding period last year.

F-2013 Q2 Consolidated Results

The **Total Income** increased by **46%** at **Rs. 976 Crores** during the quarter ended 30th September 2012 as against Rs. 667 Crores during the corresponding period last year. The PAT increased by **42%** at **Rs. 193 crores** for the quarter ended 30th September 2012 as compared to Rs.136 Crores during the same period last year.

About Mahindra & Mahindra Financial Services Ltd

Mahindra & Mahindra Financial Services Ltd (MMFSL), part of the US \$15.4 billion Mahindra Group, is one of India's leading non-banking finance companies with a pan India presence. Focused on the rural and semi-urban sector, it provides finance for vehicles and tractors and has the largest network of branches amongst NBFC's operating in these areas.

Mahindra Insurance Brokers Ltd. (MIBL) is a wholly-owned subsidiary company of Mahindra & Mahindra Financial Services Ltd. MIBL is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance (MRHFL) a subsidiary of MMFSL provides loans for purchase, renovation, construction of houses to individuals in the rural areas of the country.

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For further information please contact:**Ms Roma Balwani**

Senior Vice President – Group Communications, Mahindra & Mahindra Ltd.

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