

1/10

Mahindra Finance

**Mahindra & Mahindra
Financial Services Limited**
4th Floor, 'A' Wing, Mahindra Towers,
Dr. G. M. Bhosale Marg,
P. K. Kume Chowk,
Worli, Mumbai - 400 018, India.
Tel.: (022) 2496 3492 / 6652 6000
Fax: (022) 2498 4170 / 2498 4171

23rd April, 2013

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, 2013.**

We enclose a copy of the Audited Financial Results of the Company for the year ended 31st March, 2013, as approved by the Board of Directors at its meeting held on 23rd April, 2013, alongwith a copy of the Press Release.

Kindly take the same on record.

Thanking you,

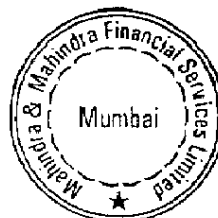
Yours faithfully,

Mahindra & Mahindra Financial Services Limited

Arnavaz

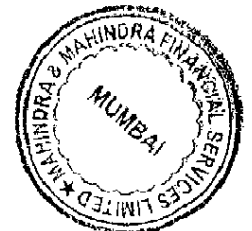
Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

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, 2013						
Rs. in lakhs						
	Particulars	Quarter ended			Year ended (Audited)	
		31st March 2013	31st December 2012	31st March 2012	31st March 2013	31st March 2012
		(Audited) *	(Unaudited)	(Audited) *		
1	Income from operations	111029.15	99553.89	83926.75	385672.15	276811.05
	Total Income from operations	111029.15	99553.89	83926.75	385672.15	276811.05
2	Expenses:					
	a) Employee benefits expense	5390.59	5221.06	4996.05	22340.20	19977.07
	b) Depreciation and amortization expense	579.98	562.06	478.59	2224.33	1956.32
	c) Loan provisions and write off	3285.32	8151.56	1416.66	28334.34	15702.00
	d) Other expenses	15144.78	12934.97	10556.85	49632.86	37266.04
	Total expenses	24400.67	26869.65	17448.15	102531.73	74901.43
3	Profit from operations before other income, finance costs and exceptional items (1-2)	86628.48	72684.24	66478.60	283140.42	201909.62
4	Other income	1527.97	526.77	771.60	3797.75	2648.33
5	Profit from ordinary activities before finance costs and exceptional items(3+4)	88156.45	73211.01	67250.20	286938.17	204557.95
6	Finance costs	44713.11	43436.87	33039.24	161876.50	112032.35
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	43443.34	29774.14	34210.96	125061.67	92525.60
8	Exceptional items (net) (refer note no. 10)	2858.21	-	-	2858.21	-
9	Profit from ordinary activities before tax (7+8)	46301.55	29774.14	34210.96	127919.88	92525.60
10	Tax expense	12920.70	9751.00	11441.93	39650.70	30513.93
11	Net profit after taxes for the period / year (9-10)	33380.85	20023.14	22769.03	88269.18	62011.67
12	Paid-up equity share capital (face value of Rs.2/- each ; Previous year : Rs.10/- each)				11260.40	10268.75
13	Reserves				434197.48	284832.31
14	Earnings per share # (refer note no. 6)					
	a) Basic (Rs.)	6.08	3.72	4.44	16.59	12.09
	b) Diluted (Rs.)	6.01	3.68	4.38	16.40	11.93

Earnings per share for the interim period is not annualised.



PART - II

SELECT INFORMATION FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2013

	Particulars	Quarter ended			Year ended	
		31st March 2013	31st December 2012	31st March 2012	31st March 2013	31st March 2012
A	PARTICULARS OF SHAREHOLDING					
	1 Public shareholding					
	- Number of shares (refer note no. 6)	271812515	271460580	222230195	271812515	222230195
	- Percentage of shareholdings	47.79%	47.73%	42.73%	47.79%	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 (refer note no. 6)	296952445	297304380	297783480	296952445	297783480
	- 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)	52.21%	52.27%	57.27%	52.21%	57.27%

	Particulars	Quarter ended 31st March 2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	6
	Disposed off during the quarter	6
	Remaining unresolved at the end of the quarter	-



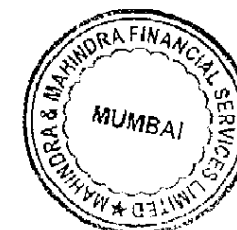
PART - I

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2013

Rs. in lakhs

	Particulars	Quarter ended			Year ended (Audited)	
		31st March 2013 (Audited) *	31st December 2012 (Unaudited)	31st March 2012 (Audited) *	31st March 2013	31st March 2012
1	Income from operations	118518.06	105726.06	88516.11	409498.79	288937.88
	Total Income from operations	118518.06	105726.06	88516.11	409498.79	288937.88
2	Expenses:					
a)	Employee benefits expense	9770.35	9282.28	8235.14	37928.82	31275.41
b)	Depreciation and amortization expense	616.97	606.82	506.52	2365.90	2028.52
c)	Loan provisions and write off	3290.17	8263.31	1384.48	28815.02	15998.94
d)	Other expenses	13355.14	11258.44	8790.76	42913.81	31611.28
	Total expenses	27032.63	29410.85	18916.90	112023.55	80914.15
3	Profit from operations before other income, finance costs and exceptional items (1-2)	91485.43	76315.21	69599.21	297475.24	208023.73
4	Other income	414.56	470.32	670.13	1797.35	2094.27
5	Profit from ordinary activities before finance costs and exceptional items(3+4)	91899.99	76785.53	70269.34	299272.59	210118.00
6	Finance costs	46396.90	44636.07	33908.34	167059.05	113988.21
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	45503.09	32149.46	36361.00	132213.54	96129.79
8	Exceptional items (net) (refer note no. 10)	3052.27	-	-	3052.27	-
9	Profit from ordinary activities before tax (7+8)	48555.36	32149.46	36361.00	135265.81	96129.79
10	Tax expense	13876.46	10461.49	12104.11	42375.08	31677.68
11	Net profit after taxes for the period / year (9-10)	34678.90	21687.97	24256.89	92890.73	64452.11
12	Minority interest	42.39	67.27	18.31	187.19	102.40
13	Net profit after taxes and minority interest (11-12)	34636.51	21620.70	24238.58	92703.54	64349.71
14	Paid-up equity share capital (face value of Rs.2/- each ; Previous year : Rs.10/- each)				11260.40	10268.75
15	Reserves				446695.15	292838.56
16	Earnings per share # (refer note no. 6)					
a)	Basic (Rs.)	6.30	4.02	4.72	17.43	12.55
b)	Diluted (Rs.)	6.23	3.97	4.66	17.23	12.37

Earnings per share for the interim period is not annualised.



PART - II

SELECT INFORMATION FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2013

	Particulars	Quarter ended			Year ended	
		31st March 2013	31st December 2012	31st March 2012	31st March 2013	31st March 2012
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares (refer note no. 6)	271812515	271460580	222230195	271812515	222230195
	- Percentage of shareholdings	47.79%	47.73%	42.73%	47.79%	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 (refer note no. 6)	296952445	297304380	297783480	296952445	297783480
	- 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)	52.21%	52.27%	57.27%	52.21%	57.27%



6/10

AUDITED STATEMENT OF ASSETS AND LIABILITIES

Rs. in lakhs

	Particulars	STANDALONE		CONSOLIDATED	
		As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	a) Share capital	11260.40	10268.75	11260.40	10268.75
	b) Reserves and surplus	434197.48	284832.31	446695.15	292638.56
	Sub-total - Shareholders' funds	445457.88	295101.06	457955.55	303107.31
2	Minority interest	-	-	2367.17	770.74
3	Non-current liabilities				
	a) Long-term borrowings	1301532.69	929073.95	1381540.40	991100.74
	b) Other long-term liabilities	24297.19	7804.35	24297.19	7804.35
	c) Long term provisions	31038.95	35371.24	31215.35	35787.58
	Sub-total - Non-current liabilities	1356868.83	972249.54	1437052.94	1034692.67
4	Current liabilities				
	a) Short term borrowings	130124.23	144913.51	158191.25	143895.09
	b) Trade payables	47884.32	37653.68	48934.04	38168.40
	c) Other current liabilities	503721.46	360069.68	535330.50	374095.32
	d) Short term provisions	65184.98	46178.35	67247.65	47294.43
	Sub-total - Current liabilities	746914.99	588805.22	809703.44	603453.24
	TOTAL - EQUITY AND LIABILITIES	2549241.70	1856155.82	2707079.10	1942023.96
B	ASSETS				
1	Non-current assets				
	a) Fixed assets	10677.68	9892.30	11363.73	10274.84
	b) Goodwill on consolidation	-	-	4.05	4.76
	c) Non-current investments	34511.43	21313.04	24168.13	14725.65
	d) Deferred tax assets (Net)	23820.72	20121.03	24208.08	20331.14
	e) Long-term loans and advances	1291978.98	925770.91	1416620.51	963837.87
	f) Other non-current assets	17056.50	1517.00	17106.50	1577.00
	Sub-total - Non-current assets	1378045.31	978614.28	1493471.00	1010751.26
2	Current assets				
	a) Current investments	21585.34	28937.55	21585.34	28937.55
	b) Trade receivables	981.30	768.40	1573.78	1112.13
	c) Cash and bank balances	34542.75	23004.03	36796.59	25596.87
	d) Short-term loans and advances	1111860.38	824077.07	1151383.74	874872.25
	e) Other current assets	2226.62	754.49	2268.65	753.90
	Sub-total - Current assets	1171196.39	877541.54	1213608.10	931272.70
	TOTAL - ASSETS	2549241.70	1856155.82	2707079.10	1942023.96

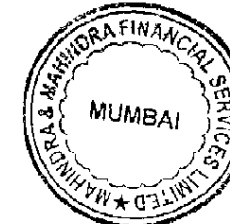


Notes:

- 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, 2013.
- 2) The Board of Directors have recommended a dividend of Rs.3.60 per share on equity share of Rs.2/- each. The dividend will absorb a sum of Rs.23887.38 lakhs (including dividend distribution tax).
- 3) The Consolidated results include the financial results of the subsidiaries Mahindra Insurance Brokers Ltd. (85%) (Previous year : 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. 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 for 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) Each Equity share of the face value of Rs.10/- fully paid up was sub-divided into five Equity shares of Rs.2/- each fully paid up in February, 2013. Accordingly, all comparative reference to the number of shares in the previous year/periods have been restated to make them comparable. In accordance with the Accounting Standard 20 pertaining to Earnings Per Share, the Company has given effect to the above mentioned sub-division of shares in computing the Earnings Per Share of all the periods above.
- 8) During the year, the Company has allotted 97,50,257 Equity shares of Rs.10/- each at a cash price of Rs.889/- per share including share premium of Rs.879/- per share to Qualified Institutional Buyers (QIBs) under the Qualified Institutional Placement (QIP). This resulted in increase of equity share capital by Rs. 975.02 lakhs and securities premium reserve by Rs. 85704.76 lakhs. These proceeds have been used for the purposes as stated in its 'Placement Document'. The share issue expenses of Rs.1280.06 lakhs has been adjusted against securities premium reserve as per the accounting policy.
- 9) During the quarter ended 31st March, 2013, the Company has made an additional investment of Rs.292.30 lakhs (US \$ 0.54 million) in Mahindra Finance USA LLC, a Joint Venture company formed jointly with De Lage Landin Financial Services Inc. in the United States.
- 10) Exceptional items include the following -
 - i) Profit of Rs.6426.21 lakhs on a standalone basis (Rs.6620.27 lakhs on a consolidated basis) on sale of 3,09,278 equity shares of face value of Rs.10/- each representing 12.37% of holding in subsidiary company, Mahindra Insurance Brokers Ltd., at Rs. 2080/- per share for a consideration aggregating Rs.6432.98 lakhs to Inclusion Resources Private Limited (IRPL), Singapore. Consequent to the said sale and issue of fresh shares by the subsidiary company to IRPL, the shareholding of the Company stands reduced from 100% to 85%.
 - ii) Additional general provision on standard assets amounting to Rs.3568.00 lakhs, which the Company has decided to create on a prudent basis from the current quarter/year.
- 11) In the standalone results, Other expenses for the quarter includes Rs.3656.70 lakhs (quarter ended 31st December, 2012 : Rs.3485.13 lakhs, quarter ended 31st March, 2012 : Rs.2820.33 lakhs) and for the year include Rs.13823.84 lakhs (year ended 31st March, 2012 : Rs. 9574.63 lakhs) incurred towards professional fees for manpower services provided by Mahindra Business & Consulting Services Private Ltd.
- 12) Previous period/year figures have been regrouped / reclassified, wherever found necessary, to conform to current period/year classification.

Date : 23rd April, 2013
Place : Mumbai

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



Ramesh Iyer
Managing Director

Mahindra FINANCE

Press Release

For Immediate Publication

Mahindra Finance

F-2013 Consolidated PBT crosses Rs.1000 crores

F-2013 Income Rs.4113 crores up by 41%

Board Recommends 180% Dividend

F-2013 AUM Rs.27913 crores up by 35%

Mumbai, April 23, 2013: 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 year ended 31st March 2013.

F-2013 Consolidated Results

The **Total Income** increased by **41%** at **Rs.4113 crores** during the year ended 31st March 2013 as against Rs.2910 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.927 Crores** during the year ended 31st March 2013 registering a growth of **44%** as compared to Rs.643 Crores during the corresponding period last year. The PAT as on 31st March 2013 includes profit of Rs.30 crores arising from exceptional item on account of profit on stake sale of its subsidiary MIBL amounting to Rs.66 Crores and additional general provision on standard assets amounting to Rs.36 Crores on prudent basis w.e.f. current year.

F-2013 Q4 Consolidated Results

The **Total Income** increased by **33%** at **Rs.1189 crores** during the quarter ended 31st March 2013 as against Rs.892 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.346 Crores** during the quarter ended 31st March 2013 registering a growth of **43%** as compared to Rs.242 Crores during the corresponding period last year. The PAT as on 31st March 2013 includes profit of Rs.30 crores arising from exceptional item on account of profit on stake sale of its subsidiary MIBL amounting to Rs.66 Crores and additional general provision on standard assets amounting to Rs.36 Crores on prudent basis w.e.f. current year.

F-2013 Standalone Results

The **Total Income** increased by **39%** at **Rs.3895 Crores** during the year ended 31st March 2013 as against Rs.2795 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.883 Crores** during the year ended 31st March 2013 registering a growth of **42%** as compared to Rs.620 Crores during the corresponding period last year. The PAT as on 31st March 2013 includes profit of Rs.28 crores arising from exceptional item on account of profit on stake sale of its subsidiary MIBL amounting to Rs.64 Crores and additional general provision on standard assets amounting to Rs.36 Crores on prudent basis w.e.f. current year.

F-2013 Q4 Standalone Results

The **Total Income** increased by **33%** at **Rs.1126 Crores** during the quarter ended 31st March 2013 as against Rs.847 Crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.334 Crores** during the quarter ended 31st March 2013 registering a growth of **46%** as compared to Rs.228 Crores during the corresponding period last year. The PAT as on 31st March 2013 includes profit of Rs.28 crores arising from exceptional item on account of profit on stake sale of its subsidiary MIBL amounting to Rs.64 Crores and additional general provision on standard assets amounting to Rs.36 Crores on prudent basis w.e.f. current year.

The Board in its meeting held today recommended a **dividend of 180%** (including a special dividend of 10% arising from extraordinary item) as against 140% paid during the last year.

Operations

MMFSL, during the year ended 31st March 2013, registered a disbursement growth of **22%** against the corresponding period last year, 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 growth and continuing high cost of borrowings through control of transaction costs and maintaining high collection efficiency levels.

MMFSL currently has a network of **657 offices** and **Total Assets Under Management of Rs.27913 Crores as on 31st March 2013** as against Rs.20643 as on 31st March 2012, a growth of 35%.

During the year, the company's customer base has crossed the **2.5 million** mark in the month of March 2013. The last 1.5 million customers were added in less than 4 years compared to the 13 years it took to achieve the first million customers.

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 quarter ended March 31, 2013, MIBL registered **income** at **Rs.26 Crores** as against Rs.21 Crores, registering a growth of **24%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.11 Crores** as against Rs.9 Crores, registering a growth of **22%** over the same period previous year.

During the year ended March 31, 2013, MIBL registered **income** at **Rs.86 Crores** as against Rs.47 Crores, registering a growth of **83%** over the same period previous year. The **Profit After Tax (PAT)** registered was **Rs.35 Crores** as against Rs.14 Crores, registering a growth of **150%** over the same period previous year.

Mahindra Rural Housing Finance Limited (MRHFL)

During the quarter ended 31st March 2013, MRHFL **disbursed Rs. 152 Crores** as against Rs.86 Crores during the same period previous year, registering a growth of **77%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of **80%** at **Rs. 9 Crores** as against Rs. 5 Crores registered for the same period previous year.

During the year ended March 31, 2013, MRHFL **disbursed Rs. 433 Crores** as against Rs. 266 Crores during the same period previous year, registering a growth of **63%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of **67%** at **Rs. 20 Crores** as against Rs. 12 Crores registered for the same period previous year.

About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (MMFSL), part of the US \$15.9 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 Limited (MIBL) a subsidiary of MMFSL is a licensed Composite Broker providing Direct and Reinsurance broking services.

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

---x---

For further information please contact:

Ms Roma Balwani

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

Phone : +91 22 2490 1441

Email: balwani.roma@mahindra.com