

Mahindra Finance

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.
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21st January, 2012

The Secretary
National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400051.

Tel. No. 2659 8235/26598346
Fax No: 26598237/26598238/26598347/26598348

Dear Sir,

**Sub: Unaudited Financial Results for the Third Quarter
ended 31st December, 2011.**

As required under Clause 41 of the Listing Agreement, we are enclosing a copy of the Unaudited Financial Results of our Company for the Third Quarter ended 31st December, 2011, together with a copy of the Press Release. Also enclosed is a limited review report of the financial results for the Third Quarter ended 31st December, 2011 by our statutory auditors, M/s. B. K. Khare & Co.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Mahindra & Mahindra Financial Services Limited

Arnavaz

 Arnavaz M. Pardiwalla
Company Secretary & Compliance Officer

Encl: a/a

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS PERIOD ENDED 31ST DECEMBER, 2011

Particulars	Quarter ended			Nine months ended		Year ended
	31st December 2011	30th September 2011	31st December 2010	31st December 2011	31st December 2010	31st March 2011
(₹ in Lacs)						
Income from Operations	73282.80	64911.35	52034.18	192963.84	138230.81	197393.35
Total	73282.80	64911.35	52034.18	192963.84	138230.81	197393.35
Financial Expenses	31502.16	25893.87	18128.22	73993.11	46458.55	60020.97
Staff Cost	4685.93	5101.59	3104.61	14981.02	10451.65	15150.49
Other Expenses	9969.16	9617.59	8597.10	28011.37	23026.54	32592.69
Provisions and Write Off	4938.79	5232.28	5446.63	15784.83	14225.98	15670.57
Depreciation & Amortisation	543.98	493.59	392.12	1477.73	1015.81	1578.80
Total	51640.04	46238.92	35668.68	139248.06	95178.53	131013.52
Profit from Operations before Other Income	21642.86	18572.43	16365.50	83715.78	43052.28	66379.83
Other Income	1384.17	1588.24	963.04	4598.86	2797.63	3864.99
Profit from Ordinary Activities Before Tax	23026.73	20160.67	17328.54	88314.64	45849.91	70244.82
Tax Expense	7557.00	6608.00	5741.00	19072.00	15194.00	23933.90
Net Profit for the period / year	15469.73	13552.67	11587.54	39242.64	30655.91	46310.92
Paid-up Equity Share Capital (Face Value of Rs.10/- each)				10259.48	9622.92	10245.29
Reserves						238556.05
Earnings Per Share ₹						
Basic (Rs.)	15.09	13.22	12.05	38.28	31.81	47.85
Diluted (Rs.)	14.87	13.03	11.86	37.73	31.64	44.53
Total Public Shareholding						
Number of shares	44353297	44300037	37987695	44353297	37987695	44211432
Percentage of holdings	42.65%	42.60%	39.20%	42.65%	39.20%	42.51%
Promoters and Promoter Group Shareholding :						
a) Pledged / Encumbered						
Number of shares	0	0	0	0	0	0
Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
b) Non-encumbered						
Number of shares	59649438	59702698	58912830	59649438	58912830	59791303
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)	57.35%	57.40%	60.80%	57.35%	60.80%	57.49%

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS PERIOD ENDED 31ST DECEMBER, 2011

Particulars	Quarter ended			Nine months ended		Year ended
	31st December 2011	30th September 2011	31st December 2010	31st December 2011	31st December 2010	31st March 2011
(₹ in Lacs)						
Income from Operations	76733.91	67728.86	53984.88	201685.66	143007.74	204351.71
Total	76733.91	67728.86	53984.88	201685.66	143007.74	204351.71
Financial Expenses	31862.54	26268.38	18290.77	80081.15	46883.34	66618.59
Staff Cost	7666.15	7650.23	5094.45	23040.27	15507.91	22398.30
Other Expenses	8693.08	8361.03	6858.33	24163.69	18523.34	26222.69
Provisions and Write Off	4986.35	5426.88	5496.90	16113.94	14310.29	15812.95
Depreciation & Amortisation	560.87	508.71	401.56	1522.00	1041.72	1614.59
Total	63868.99	48215.23	36142.01	144921.05	96266.60	132667.22
Profit from Operations before Other Income and Minority Interest	22864.92	19513.63	17842.87	56764.61	48741.14	71684.49
Other Income	858.26	911.50	758.41	3004.18	2317.48	3086.91
Profit from Ordinary Activities Before Tax and Minority Interest	23723.18	20425.13	18602.28	59768.79	49058.62	74771.40
Tax Expense	7754.22	6752.05	6140.38	19558.94	16248.06	25395.07
Net Profit After Tax and before Minority Interest	15968.96	13673.08	12461.90	40209.85	32810.56	49376.33
Short / (Excess) provision for Income Tax - Earlier Years (net)	0.00	14.62	0.00	14.62	10.14	10.14
Net Profit After Tax for the period / year before Minority Interest	15968.96	13687.70	12461.90	40195.23	32800.42	49386.19
Minority Interest In Profit / (Loss)	37.11	25.73	31.46	84.09	76.60	89.06
Net Profit for the period / year after Minority Interest	15931.85	13662.97	12430.44	40111.14	32723.82	49277.13
Paid-up Equity Share Capital (Face Value of Rs.10/- each)				10259.48	9622.92	10245.29
Reserves						244044.43
Earnings Per Share ₹						
Basic (Rs.)	15.53	13.30	12.92	39.12	34.06	50.92
Diluted (Rs.)	15.32	13.11	12.83	38.57	33.77	47.38
Total Public Shareholding						
Number of shares	44353297	44300037	37987695	44353297	37987695	44211432
Percentage of holdings	42.65%	42.60%	39.20%	42.65%	39.20%	42.51%
Promoters and Promoter Group Shareholding :						
a) Pledged / Encumbered						
Number of shares	0	0	0	0	0	0
Percentage of shares (as a % of the total shareholding of Promoter and Promoter Group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
b) Non-encumbered						
Number of shares	59649438	59702698	58912830	59649438	58912830	59791303
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)	57.35%	57.40%	60.80%	57.35%	60.80%	57.49%

* Earnings per share for the interim period is not annualised.

Notes:

- 1) The above results have been reviewed by the audit committee and subsequently approved by the Board of Directors of the Company at its Meeting held on 21st January, 2012.
- 2) The Consolidated results includes the unaudited 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.
- 3) The Company has a single reportable segment, namely financial services for the purpose of Accounting Standard 17 on Segment Reporting.
- 4) 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.
- 5) Income from Operations for the quarter includes Income from fresh assignment transactions of Rs. 1873.66 lacs (Sept.'11 : Rs.Nil, Dec'10 : Rs.1067.06 lacs).

Income from Operations for the nine months period includes Income from fresh assignment transactions of Rs.1873.66 lacs (Dec'10 : Rs.3779.03 lacs, March '11 : Rs.5322.14 lacs) and a write back of provision on earlier assignment transactions of Rs.731.40 lacs (Dec'10 : Rs.2892.30 lacs, March '11 : Rs.3648.00 lacs) no longer required.

- 6) In the standalone results, Other Expenses for the quarter includes Rs.2662.55 lacs (Sept'11 : Rs.2277.61 lacs, Dec'10 : Rs.1481.73 lacs) and for the nine months period includes Rs.6754.30 lacs (Dec'10 : Rs.3730.76 lacs, March '11: Rs.5626.22 lacs) incurred towards professional fees for manpower services provided by Mahindra Business & Consulting Services Private Ltd., a wholly owned subsidiary company.

- 7) Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 31st December, 2011.

Particulars	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	0	31	31	0

- 8) Previous period/year figures are regrouped, wherever found necessary.

Date : 21st January, 2012
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-2012 Q3 Income up by 41%

F-2012 Q3 PAT up by 34%

Mumbai, January 21, 2012 : The Board of Directors of Mahindra & Mahindra Financial Services Ltd (Mahindra Finance), a leading provider of financial services in the rural and semi-urban markets, announced today, the unaudited financial results for the quarter / nine months period ended 31st December 2011.

F-2012 Q3 Standalone Results

The **Total Income** increased by **41%** at **Rs.747 crores** during the quarter ended 31st December 2011 as against **Rs.530 crores** in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.155 crores** during the quarter ended 31st December 2011 registering a growth of **34%** as compared to **Rs.116 crores** during the corresponding period last year and a growth of **14%** against preceding quarter ended 30th September 2011.

F-2012 YTD Dec'11 Standalone Results

The **Total Income** increased by **40%** at **Rs.1976 crores** during the nine months period ended 31st December 2011 as against **Rs.1410 crores** in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.392 crores** during the nine months period ended 31st December 2011 registering a growth of **28%** as compared to **Rs.307 crores** during the corresponding period last year.

Operations

MMFSL registered a disbursement growth of **36%**, maintaining its leadership position for vehicles and tractors in the semi urban and rural markets. The Company has significantly improved its performance as a car financier and has also increased its presence in Heavy Commercial Vehicles & Construction Equipment.

The Company maintained growth in its profits in spite of increased borrowing cost, by growth in business and focusing on NPA reduction and cost rationalisation.

MMFSL currently has a network of **592 offices** and **Total Assets Under Management of Rs.19460 crores** as on 31st December 2011.

The Company continued to broad base its consortium of lenders by bringing in new Banks and Insurance Companies and tied up the required quantum of funds at competitive rates.

SUBSIDIARIES

Mahindra Insurance Brokers Limited (MIBL)

During the nine months period ended 31st December 2011, MIBL registered income at **Rs.25.9 crores** as against Rs.37.5 crores in the same period previous year. The **Profit After Tax (PAT)** for the nine months period ended 31st December 2011 was **Rs.4.6 crores** as against Rs.15.5 crores registered for the same period previous year. The reduction is primarily on account of the impact of the regulatory clarification on Guidelines on Group Insurance Policies issued by the IRDA. The Company has reengineered its business processes so as to be in line with the said clarification from December 2011.

Mahindra Rural Housing Finance Limited (MRHFL)

MRHFL has **disbursed Rs.181.0 crores** during the the nine months period ended 31stDecember 2011 as against Rs.135.5 crores disbursed during the same period previous year, registering a growth of **34%** over the same period previous year. The **Profit After Tax (PAT)** registered a growth of **10%** at **Rs.6.7 crores** as against Rs. 6.1 crores registered for the same period previous year. During the period, NHB has issued notification on providing 0.40% provision on all standard assets and increased provisioning requirements on non- performing assets with immediate effect. The amount of Rs.1.7crores is debited to profit and loss account on account of above notification.

FY-2012 Q3 Consolidated Results

The total income increased by **42%** at **Rs.776 crores** during the quarter ended 31st December 2011 as against Rs.547 crores during the corresponding period last year. The **Profit After Tax (PAT)** increased by **28%** at **Rs.160 crores** for the quarter ended 31st December 2011 as compared to Rs.125 crores during the same period last year and a growth of 17% against preceding quarter ended 30th September 2011.

F-2012 YTD Dec'11 Consolidated Results

The **Total Income** increased by **41%** at **Rs.2047 crores** during the nine month period ended 31st December 2011 as against Rs.1453 crores in the corresponding period last year. The **Profit After Tax (PAT)** was at **Rs.402 crores** during the nine month period ended 31st December 2011 registering a growth of **23%** as compared to Rs. 328 crores during the corresponding period last year.

About Mahindra & Mahindra Financial Services Ltd

Mahindra & Mahindra Financial Services Ltd (MMFSL), part of the US \$14.4 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.

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For further information please contact:

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B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

The Board of Directors
Mahindra & Mahindra Financial Services Limited

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of Mahindra & Mahindra Financial Services Limited for the period ended December 31, 2011 (the Statement) 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. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagement to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
(FRN: 105102W)



Padmini Khare Kaicker
Partner
Membership No. 44784
Mumbai, January 21, 2012



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