**PRESS RELEASE** *For immediate release*

# Mahindra & Mahindra Financial Services Ltd. files offer document with SEBI

**Mumbai, January 10, '06**: Mahindra & Mahindra Financial Services Ltd (Mahindra Finance), one of India's leading non-banking finance companies focusing on the rural and semi urban sector providing finance for Utility vehicles, tractors and cars and a 89.78% subsidiary of Mahindra & Mahindra Ltd., filed its draft red herring prospectus with the Securities & Exchanges Board of India today.

Mahindra Finance provides loans for the purchase of utility vehicles and tractors manufactured by the parent company Mahindra & Mahindra Ltd. and for purchase of cars of reputed manufacturers and also pre-owned vehicles. As of September 30, 2005, Mahindra Finance had 290 branches in 25 states and two Union Territories in India and had entered into 3,91,908 customer contracts. Mahindra Finance has increased its network to areas like Sikkim, Guwahati and other towns of North – East. The company designs tailor made scheme suitable for each product and also to suit the various regions of the country.

**Mahindra Finance proposes to enter the capital market with a public issue of 2 crores Equity Shares of Rs 10 each, at a price to be decided through the 100% book-building process. This comprises a fresh issue of 1 Crore Equity Shares of Rs 10 each and an Offer for Sale of 1 Crore Equity Shares by the selling hareholders. The Equity Shares of the Company are proposed to be listed on the NSE (National Stock Exchange) and the BSE Bombay Stock Exchange).**

**The issue is being made through the 100% book building process wherein 60% of the issue shall be allocated on a proportionate basis to Qualified Institutional buyers (QIB) out of which, 5% will be available for allocation to mutual funds registered with SEBI and the remaining QIB portion shall be available to the QIB bidders including mutual funds, subject to valid bids being received at or above the Issue Price. Further, at least 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and atleast 30% of the issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the issue price.**

The book-running lead managers to the Issue are Kotak Mahindra Capital Company Ltd and ABN AMRO Securities (India) Pvt Ltd.

**For further information please contact:**

Ms. Roma Balwani
GM, Corporate Communication
Mahindra & Mahindra Ltd.
Phone: 2497 5176
Fax: 2490 0830
Email:balwani.roma@mahindra.com

Mr. Samrat Banerjee
Adfactors PR Pvt Ltd.
Tel: 2281 3565
Fax: 2281 3569
Mobile: 98205 10065
Email: samrat@adfactorspr.com