

NOTICE

THE TWENTIETH ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020 on Friday, 23rd day of July, 2010, at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Bharat Doshi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dhananjay Mungale, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:
"RESOLVED that pursuant to section 224 of the Companies Act, 1956, Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Registration Number 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:
"RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. M. B. N. Rao who was appointed as an Additional Director and who ceases to hold office as per the provisions of section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a Notice from a Member in writing proposing his candidature for the office of Director as per the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed a Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:
"RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. Pawan Kumar Goenka who was appointed as an Additional Director and who ceases to hold office as per the provisions of section 260 of the

Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a Notice from a Member in writing proposing his candidature for the office of Director as per the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:
"RESOLVED that in supersession of the Resolution passed by the Shareholders at the Annual General Meeting of the Company held on 23rd July, 2007 and pursuant to the provisions of sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, consent of the Company be accorded to the Board of Directors to borrow moneys from time to time and, if they think fit, for mortgaging or charging the Company's undertaking and any property or any part thereof to secure such borrowings, upto a continuous limit for the time being and from time to time remaining undischarged of Rs.15,000 crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed at any time, the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."
9. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED that the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Director(s) and such of the remainder as may not desire to participate, shall, for a period of five years with effect from 1st April, 2010, be paid remuneration by way of commission up to one per cent of the net profits of the Company, computed in the manner referred to in sections 198, 309 and all other applicable provisions of the Companies Act, 1956, such commission to be distributed amongst and paid to the aforesaid Directors concerned in such proportions as they may from time to time decide between themselves; PROVIDED that none of such Directors shall in any financial year of the Company receive a portion of such commission equal to more than one quarter per cent of the net profits of the Company."

Notes:

- A. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- C. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.

NOTICE (contd.)

- D. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited having their office at Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.
- E. The Register of Members and Transfer Books of the Company will be closed from Saturday, 3rd July, 2010 to Friday, 23rd July, 2010 (both days inclusive).
- F. The dividend, if declared at the Annual General Meeting, will be paid on or after 23rd July, 2010 to those persons or their mandates:
- (a) whose names appear as Beneficial Owners as at the end of the business hours on 2nd July, 2010 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 2nd July, 2010.
- G. Pursuant to the provisions of section 205A of the Companies Act, 1956, there were no unclaimed dividends for the financial year ended 31st March, 2002 due for transfer to the Investor Education and Protection Fund (IEPF). Further, there are no unclaimed dividends for the Financial Year ended on 31st March, 2003, 31st March, 2004 and 31st March, 2005, which are required to be transferred to the IEPF.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the year 2005-06 and thereafter to IEPF:

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid / unclaimed dividend
31 st March, 2006	10 th July, 2006	9 th August, 2013
31 st March, 2007 – (Interim Dividend)	30 th March, 2007	29 th April, 2014
31 st March, 2007	23 rd July, 2007	22 nd August, 2014
31 st March, 2008	23 rd July, 2008	22 nd August, 2015
31 st March, 2009	27 th July, 2009	26 th August, 2016

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Karvy Computershare Private Limited well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

- H. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956.

Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Karvy Computershare Private Limited having their office at Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.

- I. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and Bank details are available. In the absence of ECS facilities, the Company will print the Bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic form for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
- J. The Company has extended the facility of electronic credit of dividend directly to the respective Bank Accounts of the Members through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS). Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents in the prescribed form and with the prescribed details. Members located in places where ECS/NECS facility is not available may submit their Bank details. This will enable the Company to incorporate this information on the Dividend Warrants and thus prevent fraudulent encashment.
- K. Members are requested to:
- a) intimate to the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in electronic/dematerialised form;
 - c) quote their folio numbers/Client ID/DP ID in all correspondence;
 - d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
- L. Appointment/Re-appointment of Directors
- Mr. Bharat Doshi holds 1,29,239 shares, Mr. Dhananjay Mungale holds 9,000 shares and Dr. Pawan Kumar Goenka holds 8,442 shares of Rs. 10 each. Mr. M. B. N. Rao does not hold any equity shares in the Company.

NOTICE (contd.)

None of the Directors of the Company are inter-se related to each other.

In respect of the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed/re-appointed, Members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.

By Order of the Board

Arnavaz M. Pardiwala
Company Secretary

Registered Office:
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.
22nd April, 2010

Annexure to Notice

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

Item Nos. 6 and 7

Based on the recommendation of the Nomination Committee, the Board of Directors at its Meeting held on 27th July, 2009 had appointed Mr. M.B.N. Rao and Dr. Pawan Kumar Goenka as Additional Directors. They hold office only up to the date of the forthcoming Annual General Meeting of the Company.

The Company has received a Notice from a Member signifying his intention to propose Mr. M. B. N. Rao and Dr. Pawan Kumar Goenka respectively, as candidates for the office of Director of the Company at the forthcoming Annual General Meeting.

Mr. M. B. N. Rao, former Chairman and Managing Director of Canara Bank and Indian Bank, has graduated with a B. Sc. degree in Agriculture and is an Associate of the Chartered Institute of Bankers, London and a fellow member of the Indian Institute of Banking and Finance. He is a member of the Singapore Institute of Management and has done his Diploma in Computer Studies from University of Cambridge and National Computing Center, London.

Mr. M. B. N. Rao has extensive in-depth knowledge and over 38 years of varied experience in Banking and Finance, Economics, Foreign Exchange, Money and Capital Markets, Risk Management, Treasury and Funds Management, Asset and Liability Management, Advisory Services, Accountancy, Information Technology and Technology in Banking, Credit Management, Project Finance, Industrial and Infrastructure Finance, International Trade Finance, Priority Sector Lending, Social Banking, Entrepreneurial Development, Lending to Agriculture and SMEs, Financial Inclusion, Retail Banking, NPA Management, Human Resource Management, Marketing, Internal Control, Inspection & Audit, Vigilance, Taxation and Administration.

Mr. Rao is a Director on the Boards of various reputed companies. Mr. Rao is also a Member of Committees constituted

by the Ministry of Finance, Securities & Exchange Board of India and National Institute of Bank Management.

Dr. Pawan Kumar Goenka is a Mechanical Engineer with a B. Tech from the Indian Institute of Technology, Kanpur, and is a Ph.D from Cornell University, USA. He has also done an Advanced Management Programme (AMP) at the Harvard Business School.

Dr. Goenka is an internationally acknowledged scientist – manager with several citations to his credit. He has received the Distinguished Alumni Award from the Indian Institute of Technology, Kanpur in 2004 and is a Fellow of the Society of Automotive Engineers (SAE) and of the Indian National Academy of Engineers. He has been honoured by General Motors through the Charles L. McCuen Achievement Award twice and the Extraordinary Accomplishment Award. Dr. Goenka is the President of the Society of Indian Automobile Manufacturers. He is a Member of the American Society of Mechanical Engineers and a Member of the Governing Council of National Automotive Testing and R&D Infrastructure Project. He is the past-President of both, the ARAI Governing Council and SAE India. He is also on the Board of several Mahindra Group companies. Dr. Goenka has published over fifteen Research papers in Technical journals.

The Board is of the view that the vast knowledge and experience of Mr. Rao and Dr. Goenka would be of immense benefit to the Company and therefore recommends their appointment to the Members.

Mr. Rao does not hold any shares in the Company. Dr. Goenka holds 8,442 equity shares in the Company. Mr. Rao and Dr. Goenka are not related to any other Director of the Company.

Apart from Mr. Rao and Dr. Goenka, none of the other Directors of the Company is concerned or interested in these items of business.

Item No. 8

Pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company cannot borrow moneys in excess of the amount of the paid-up capital of the company and its free reserves without the approval of the shareholders in a General Meeting.

At the Annual General Meeting of the Company held on 23rd July, 2007, the shareholders, by an Ordinary Resolution, had empowered the Board of Directors of the Company to borrow moneys, up to Rs.10,000 crores even though such borrowing would be in excess of the paid-up capital and free reserves of the Company.

The moneys so borrowed by the Company and outstanding as at 31st March, 2010 amounted to approximately Rs.6457.75 crores.

During the year 2009-2010, the Company had disbursed Rs. 8,915.36 crores and it has plans to disburse over Rs.10,000 crores during the current year, mainly for financing the Mahindra range of vehicles and tractors and for other products like cars of reputed automobile manufacturers.

Mahindra & Mahindra Financial Services Limited

NOTICE (contd.)

In order to further expand its business and to meet increased financial needs for the budgeted disbursements, it is proposed to increase its borrowing limits to Rs.15,000 crores, at which level, the Company would be within the capital adequacy requirement of 12% as per the Guidelines issued by the Reserve Bank of India.

The Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

Accordingly, the consent of the Shareholders is being sought for the enhancement of the borrowing limits and to secure such borrowings by mortgage/charge on any of the movable and/or immovable properties and / or the whole or any part of the undertaking(s) of your Company as set out in the resolution at Item No. 8 of the Notice.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the resolution at Item No. 8 of the Notice as an Ordinary Resolution.

None of the Directors of the Company is concerned or interested in this item of business.

Item No. 9

The Members at the 15th Annual General Meeting of the Company held on 10th June 2005, had passed a Special Resolution for payment of commission of up to 1 per cent per annum of the net profits of the Company to the Directors of the Company, other than the Directors who are in the whole-time employment of the Company, the Managing Director, Executive Director(s) and such other Directors as may not desire to

participate, such commission distributed amongst and paid to the aforesaid Directors in such proportions as they may, from time to time, decide between themselves, subject to a limit of one quarter per cent of the net profits for any such Director. The said Special Resolution was in force up to 31st March, 2010.

It is now proposed to authorise the payment of commission on the same terms and conditions to the Directors of the Company other than Directors who are in the whole-time employment of the Company, the Managing Director, Executive Director(s) and such other Directors as may not desire to participate, for each of further five years commencing from 1st April, 2010.

In terms of sections 198, 309 and all other applicable provisions of the Companies Act, 1956, the approval of the Members is requested for the payment of commission to all the Non-Executive Directors of the Company.

The Directors recommend the passing of the Resolution at Item No.9 as a Special Resolution.

Except for Mr. Bharat Doshi and Mr. Ramesh Iyer, all the other Directors of the Company may be considered to be concerned or interested in this item of business.

By Order of the Board

Arnavaz M. Pardiwala
Company Secretary

Registered Office:
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.
22nd April, 2010



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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint Shareholders desiring to attend the Meeting may obtain additional Attendance Slips on request Provided such request is received by the Company / Registrar & Transfer Agents, Karvy Computershare Private Limited at Plot No.17-24,Vittalrao Nagar, Madhapur, Hyderabad - 500 081 before 13th July, 2010.

Folio No.:
No. of Shares:
Name & Address of the Shareholder:

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company being held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400 020 on Friday, the 23rd day of July, 2010, at 3.30 p.m.

Name(s) of the Shareholder(s)/Proxy (IN BLOCK CAPITALS)

Signature(s) of the Shareholder(s) or Proxy

NOTE: No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting.



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

PROXY FORM

I/We _____ being a member/members of
of _____
MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED hereby appoint _____ of
_____ or failing him _____ of _____
as my/our Proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on 23rd July, 2010 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2010.
Signed by the said _____

Affix 15Ps.
Revenue
Stamp

NOTE: The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.



BANK ACCOUNT PARTICULARS/ECS MANDATE FORM

I/We _____ do hereby authorize Mahindra & Mahindra Financial Services Limited
 To print the following details on my/our dividend warrant To Credit my dividend amount directly to my Bank account by ECS.
(✓ whichever is applicable.)

My/Our Folio No: _____
DP ID No. _____ Client Id. No. _____

Particulars of Bank Account:

- A. Bank Name : _____
- B. Branch Name : _____
Address (for Mandate only) : _____
- C. 9 Digit Code number of the Bank & branch as appearing on the MICR cheque : _____
- D. Account Type (Saving/Current) : _____
- E. Account No. as appearing on the cheque book : _____
- F. STD Code & Telephone No. : _____

I/We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

MAIL TO KARVY COMPUTERSHARE PRIVATE LIMITED (unit: Mahindra & Mahindra Financial Services Limited) Plot No. 17-24 Vittalrao Nagar, Madhapur, Hyderabad 500 081 or to your Depository Participant if you hold shares in electronic form. _____ Signature of the Shareholder

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number. In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank account particulars/ECS mandate.