

NOTICE

THE NINETEENTH ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED will be held at Patkar Hall, SNDT Women's University, 1st Nathibai Thackersey Road, New Marine Lines, Mumbai- 400 020 on Monday, 27th day of July, 2009, 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, 2009 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. M. G. Bhide, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Uday Y. Phadke, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. B. K. Khare & Co., Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED that in partial modification of the Special Resolution passed at the 16th Annual General Meeting of the Company held on 10th July, 2006 and pursuant to the provisions of sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act") [including any statutory modification or re-enactment thereof for the time being in force] read with Schedule XIII of the Act and the Rules made thereunder and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the revised remuneration payable to Mr. Ramesh Iyer as Managing Director of the Company with effect from 1st August, 2009, for the remainder of his term of office i.e. up to 29th April, 2011 on the following terms:-

Salary : Rs. 1,75,000 per month in the scale of Rs. 1,75,000 to Rs. 2,35,000 per month

Perquisites:

In addition to the salary, the Managing Director shall also be entitled to the following perquisites in accordance with the Rules of the Company:

- i. Housing : Furnished/ Unfurnished Residential accommodation or House Rent Allowance of 50% of Salary in lieu thereof.
 - ii. Medical Reimbursement : As per the Company's Rules.
 - iii. Leave Travel Concession : For the Managing Director and his family, once in a year, incurred in accordance with the Company's Rules.
 - iv. Performance Award : As per the Company's Rules.
 - v. Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - vi. Encashment of leave : Encashment of leave not availed of by the Managing Director as per the Company's Rules.
 - vii. Contribution to Funds : Contributions to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity / Contribution to Gratuity Fund as per the Company's Rules.
 - viii. Provision of car and telephone at the Managing Director's residence for his use : Provision of car and telephone at the Managing Director's residence for his use as per the Company's Rules.
 - ix. Other amenities and benefits : Such other benefits, amenities and facilities as per the Company's Rules.
- The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
 - Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
 - Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
 - Provision for car for use on Company's business and telephone at residence would not be considered as perquisites.

Commission:

In addition to the salary and perquisites, the Managing Director would be entitled to such commission based on the net profits of the Company in any financial year not exceeding 1/4% of such profits as the Remuneration/Compensation Committee shall decide, having regard to the performance of the Company.

NOTICE (contd.)

Provided that the remuneration payable to the Managing Director (including salary, commission, perquisites, benefits and amenities) shall not exceed the limits laid down in sections 198 and 309 of the Companies Act, 1956 including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED that where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites and other allowances and benefits as specified above, subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

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.
- 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, 4th July, 2009 to Monday, 27th July, 2009 (both days inclusive).
- F. The dividend, if declared at the Annual General Meeting, will be paid on or after 27th July, 2009 to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on 3rd July, 2009 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 Company/its Registrar & Transfer Agents on or before 3rd July, 2009.
- 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, 2001 due for transfer to the Investor Education and Protection Fund. Further, there are no unclaimed dividends for the financial year ended 31st March, 2002, which are required to be transferred to the Investor Education and Protection Fund.
- 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 shareholders holding shares in electronic form for deletion or 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 the facility of electronic credit of dividend directly to the respective Bank Accounts of the Members through the Electronic Clearing Service (ECS) of the Reserve Bank of India. 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. Shareholders located in places where ECS 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 their 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.

NOTICE (contd.)

L. Re-appointment of Directors:

In respect of the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being 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, 2009

Annexure to Notice**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.****Item No.6**

Mr. Ramesh Iyer was re-appointed as the Managing Director of the Company by the Board of Directors at its Meeting held on 27th April, 2006 with effect from 30th April, 2006, for a term of five years. The said re-appointment of Mr. Ramesh Iyer as Managing Director, was approved by the Shareholders at the Annual General Meeting of the Company held on 10th July, 2006.

The Board of Directors of the Company at its Meeting held on 22nd April, 2009, has pursuant to the approval of the Remuneration/Compensation Committee and subject to the approval of the Shareholders, approved of the revision in the remuneration payable to Mr. Ramesh Iyer as Managing Director of the Company with effect from 1st August, 2009 till the remainder of his term of office.

The business activities of the Company are increasing due to growing opportunities in the Financial Services Sector. The Company is continuously expanding its financial services portfolio which now also includes personal loan, mutual fund distribution and financing commercial vehicles and construction equipments. In view of the growing business activities of the Company, responsibilities of the Managing Director have considerably increased.

Considering the performance of the Company, the Managing Director's contribution towards the growth, his increasing responsibilities and trend in the industry, it is proposed to increase the remuneration payable to Mr. Ramesh Iyer, with effect from 1st August, 2009.

In compliance with the requirements of section 302 of the Companies Act, 1956, an Abstract of the terms of the revised remuneration of Mr. Ramesh Iyer together with the Memorandum of Concern or Interest will be sent to the shareholders of the Company. The terms of remuneration including commission is as set out in the Special Resolution under Item No.6.

Pursuant to sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act"), including Schedule XIII to the Act, the revision in the remuneration payable to Mr. Ramesh Iyer as Managing Director of the Company is now being placed before the shareholders in the Annual General Meeting for their approval by way of a Special Resolution.

Your Directors recommend this Resolution as a Special Resolution for approval of the shareholders.

Apart from Mr. Ramesh Iyer, none of the other Directors of the Company is concerned or interested in this item of business.

The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:

I. General Information :

- i) Nature of Industry:
The Company is a Non-Banking Financial Company engaged in Lease and Hire Purchase Finance business.
- ii) Date or expected date of commencement of commercial production:
The Company was incorporated on 1st January, 1991 and commenced its business operations on 19th February, 1991.
- iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not applicable
- iv) Financial performance based on given indicators -as per audited financial results for the year ended 31st March, 2009 :

Particulars	(Rupees in crores)
Turnover and other Income	1,384.66
Net Profit as per Profit & Loss Account (after Tax)	214.52
Profit as computed under section 309(5) read with section 198	483.92
Net Worth	1,467.87

- v) Export performance and net foreign exchange collaborations:
Not Applicable
- vi) Foreign Investments or collaborators, if any
Not Applicable

II. Information about the appointee:

- i) Background details:
Mr. Ramesh Iyer holds a Bachelors Degree in Commerce and has done his Masters in Business Administration.
Mr. Ramesh Iyer has been the Managing Director of the Company with effect from 30th April, 2001 and is associated with the Company since its inception. Mr. Iyer has vast experience in matters relating to business development, finance and marketing.

NOTICE (contd.)

Mr. Ramesh Iyer is a member of the core committee of Finance Industry Development Council. Mr. Iyer has been awarded with the Udyog Rattan from The Institute of Economic Studies, New Delhi and has also been presented with "Rashtriya Udyog Pratibha Award" from the Council for Economic Growth & Research, Pune in December, 2007. Presently he is the Chairman of Banking & Finance Committee of Bombay Chamber of Commerce & Industry.

ii) Past remuneration during the financial year ended 31st March, 2009:
Rs. 118.57 lacs

iii) Recognition or Awards:
The information is already covered in the section "Background details".

iv) Job profile and his suitability:
Mr. Ramesh Iyer was appointed as an Additional Director and Managing Director effective from 30th April, 2001. He was re-appointed as Managing Director with effect from 30th April, 2006 for a period of five years.

With the increasing business activities of the Company, the responsibility of the day-to-day management has increased substantially. Several new initiatives have been and are being taken to further the growth and the profitability of the Company. Taking into consideration his qualifications and expertise, Mr. Ramesh Iyer is best suited for the responsibilities currently assigned to him by the Board of Directors of the Company.

v) Remuneration Proposed:
Salary of Rs. 1,75,000 per month in the scale of Rs. 1,75,000 to Rs.2,35,000 per month, with effect from 1st August, 2009 and other perquisites, allowances and commission as fully set out in the Notice, for the remainder of his term of office upto 29th April, 2011.

vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies in the industry.

vii) Pecuniary relationships directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III Other Information:

- i) Reasons of loss or inadequate profits:
Not Applicable as the Company has posted a net profit after tax of Rs. 214.52 crores for the year ended 31st March, 2009.
- ii) Steps taken or proposed to be taken for improvement and
- iii) Expected increase in productivity and profits in measurable terms:
Not applicable as the Company has adequate profits. The Company posted a Profit before Tax of Rs.325.63 crores for the year ended 31st March, 2009.

IV Disclosures:

The information and Disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Details of Remuneration paid to Directors for Financial Year 2008-09".

By Order of the Board

Arnavaz M. Pardiwala
Company Secretary

Registered Office:
Gateway Building,
Apollo Bunder,
Mumbai - 400 001.
22nd April, 2009



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 17th July, 2009.

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

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company being held at Patkar Hall, SNDT Women's University, 1st Nathiba Thackersey Road, New Marine Lines, Mumbai-400 020 on Monday, the 27th day of July, 2009, 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 _____ of _____ being a member/members 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 Nineteenth Annual General Meeting of the Company to be held on 27th July, 2009 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2009.

Signed by the said _____

Affix a 15 Pk. 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 (whichever is applicable.) To Credit my dividend amount directly to my Bank account by ECS.

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 500081 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.