

AUDITED STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR & QUARTER ENDED 30TH SEPTEMBER, 2010

(Rs. in Lacs)

Particulars	Quarter ended 30th September		Half year ended 30th September		Year ended 31st March
	2010	2009	2010	2009	2010
Income from Operations	46956.39	35298.18	86196.63	67321.45	153076.96
Total	46956.39	35298.18	86196.63	67321.45	153076.96
Financial Expenses	15180.06	12050.86	28330.33	24153.67	50173.24
Staff Cost	3692.64	3116.91	7347.04	6660.07	12807.49
Other Expenses	7907.36	4573.16	14429.44	7827.93	18700.36
Provisions and Write Off	3349.42	5955.94	8779.35	13732.53	22152.18
Depreciation & Amortisation	340.67	214.57	623.69	449.15	990.29
Total	30470.15	25911.44	59509.85	52823.35	104823.56
Profit from Operations before Other Income, Exceptional Item	16486.24	9386.74	26686.78	14498.10	48253.40
Other Income	933.17	952.52	1834.59	1860.10	3803.45
Net Profit from Ordinary Activities Before Tax	17419.41	10339.26	28521.37	16358.20	52056.85
Tax Expense	5771.00	3419.00	9453.00	5438.00	17618.21
Net Profit After Tax	11648.41	6920.26	19068.37	10920.20	34438.64
Short / (Excess) provision for Income Tax - Earlier Years (net)	0.00	0.00	0.00	0.00	167.91
Net Profit for the period / year	11648.41	6920.26	19068.37	10920.20	34270.73
Paid-up Equity Share Capital (Face Value of Rs.10/- each)			9614.18	9576.17	9598.15
Reserves					163138.37
Earnings Per Share #					
Basic (Rs.)	12.13	7.23	19.86	11.40	35.78
Diluted (Rs.)	12.02	7.14	19.68	11.27	35.37
Total Public Shareholding					
Number of shares	37900253	37520118	37900253	37520118	37739945
Percentage of holdings	39.11%	38.72%	39.11%	38.72%	38.95%
Promoters and Promoter Group Shareholding :					
a) Pledged / Encumbered					
Number of shares	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%
Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
b) Non-encumbered					
Number of shares	59000272	59380407	59000272	59380407	59160580
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)	60.89%	61.28%	60.89%	61.28%	61.05%

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE HALF YEAR & QUARTER ENDED 30TH SEPTEMBER, 2010

(Rs. in Lacs)

Particulars	Quarter ended 30th September		Half year ended 30th September		Year ended 31st March
	2010	2009	2010	2009	2010
Income from Operations	48577.00	35932.27	89022.86	68679.93	156122.52
Total	48577.00	35932.27	89022.86	68679.93	156122.52
Financial Expenses	15307.70	12062.51	28592.57	24184.13	50279.71
Staff Cost	5404.04	3965.00	10413.46	7853.76	15943.20
Other Expenses	6413.07	3878.44	11665.01	6954.83	16135.26
Provisions and Write Off	3339.72	5959.00	8813.39	13745.42	22180.15
Depreciation & Amortisation	350.68	218.57	640.16	456.66	1007.72
Total	30815.21	26083.52	60124.59	53194.80	105546.04
Profit from Operations before Other Income, Exceptional Item and Minority Interest	17761.79	9848.75	28898.27	15485.13	50576.48
Other Income	737.89	866.63	1558.07	1719.21	3437.63
Profit from Ordinary Activities Before Tax and Minority Interest	18499.68	10715.38	30456.34	17204.34	54014.11
Tax Expense	6139.18	3544.77	10107.68	5718.21	18236.79
Net Profit After Tax and before Minority Interest	12360.50	7170.61	20348.66	11486.13	35777.32
Short / (Excess) provision for Income Tax - Earlier Years (net)	10.14	0.00	10.14	0.00	167.91
Net Profit After Tax for the period / year before Minority Interest	12350.36	7170.61	20338.52	11486.13	35609.41
Minority Interest in Profit / (Loss)	31.26	3.78	45.14	6.14	27.27
Net Profit for the period / year after Minority Interest	12319.10	7166.83	20293.38	11479.99	35582.14
Paid-up Equity Share Capital (Face Value of Rs.10/- each)			9614.18	9576.17	9598.15
Reserves					165758.06
Earnings Per Share #					
Basic (Rs.)	12.82	7.48	21.13	11.99	37.15
Diluted (Rs.)	12.71	7.40	20.94	11.85	36.72
Total Public Shareholding					
Number of shares	37900253	37520118	37900253	37520118	37739945
Percentage of holdings	39.11%	38.72%	39.11%	38.72%	38.95%
Promoters and Promoter Group Shareholding :					
a) Pledged / Encumbered					
Number of shares	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%
Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
b) Non-encumbered					
Number of shares	59000272	59380407	59000272	59380407	59160580
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)	60.89%	61.28%	60.89%	61.28%	61.05%

Earnings per share for the interim period is not annualised.

STATEMENT OF ASSETS AND LIABILITIES AS ON 30TH SEPTEMBER,2010

(Rs. in Lacs)

Particulars	Standalone			Consolidated		
	Half year ended 30th September	Year ended 31st March	Year ended 31st March	Half year ended 30th September	Year ended 31st March	Year ended 31st March
	2010	2009	2010	2010	2009	2010
SHAREHOLDERS' FUNDS :						
a) Capital	9614.18	9576.17	9598.15	9614.18	9576.17	9598.15
b) Employee Stock Options Outstanding	98.45	138.42	119.95	98.45	138.42	119.95
c) Reserves and Surplus	182299.06	148164.42	163138.37	186143.76	150043.74	165758.06
	192011.69	157879.01	172856.47	195856.39	159758.33	175476.16
Minority Interest	-	-	-	424.42	159.43	179.28
LOAN FUNDS	822154.35	581735.45	645775.20	829343.34	581795.95	652498.20
TOTAL	1014166.04	739614.46	818631.67	1025624.15	741713.71	828153.64
FIXED ASSETS	6112.47	4177.04	4760.07	6293.01	4265.75	4863.49
INVESTMENTS	23998.59	2610.46	21592.94	21342.83	1354.70	20337.18
DEFERRED TAX ASSET	21925.87	20278.08	20692.87	21963.33	20285.52	20716.82
CURRENT ASSETS, LOANS AND ADVANCES :						
a) Sundry Debtors	0.00	0.00	0.00	180.08	120.23	128.84
b) Cash and Bank balances	27508.34	27004.40	24199.16	27732.85	27230.07	24434.49
c) Other Current Assets	681.02	772.59	376.64	636.13	675.28	391.97
d) Loans and Advances	1029650.66	772058.44	837879.82	1045650.76	775391.42	848644.87
	1057840.02	799835.43	862455.62	1074199.82	803417.00	873600.17
Less : Current Liabilities and Provisions :						
a) Liabilities	71595.08	70295.05	59989.23	73583.27	70325.23	60006.21
b) Provisions	24115.83	16991.50	30880.60	24591.57	17284.03	31357.81
	95710.91	87286.55	90869.83	98174.84	87609.26	91364.02
NET CURRENT ASSETS	962129.11	712548.88	771585.79	976024.98	715807.74	782236.15
TOTAL	1014166.04	739614.46	818631.67	1025624.15	741713.71	828153.64

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 22nd October,2010.
- 2) The Consolidated results includes the Financial Results of the subsidiaries Mahindra Insurance Brokers Ltd., Mahindra Rural Housing Finance Ltd. and Mahindra Business & Consulting Services Private Ltd.
- 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) During the quarter, the Company has made an investment of Rs.1400.00 lacs in Mahindra Rural Housing Finance Ltd., its subsidiary, by paying further amount of Rs.4/- per share (face value of Rs.10/- each) as call money.
- 6) Income from Operations for the quarter includes Income from fresh assignment transactions (net of upfront provision for loss/expenses) of Rs.1492.15 Lacs (Sept.'09 : Rs.1657.73 lacs).
Income from Operations for the half year includes Income from fresh assignment transactions (net of upfront provision for loss/expenses) of Rs.2559.88 Lacs (Sept '09 : Rs.2925.84 lacs, March '10 : Rs.11006.74 lacs) and a write back of provision on earlier assignment transactions of Rs.1578.25 lacs (Sept'09 : Rs.841.39 lacs, March '10 : Rs.1546.07 lacs) no longer required.
- 7) In the standalone results, Other Expenses for the quarter includes Rs.1262.84 lacs (Sept '09 : Rs.340.49 lacs) and for the half year includes Rs.2249.03 lacs (Sept '09 : Rs.500.82 lacs, March '10: Rs.1828.33 lacs) incurred towards professional fees for manpower services provided by Mahindra Business & Consulting Services Private Ltd., a wholly owned subsidiary company.
- 8) Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September,2010.

Particulars	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	0	21	21	0

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

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

**Date : 22nd October, 2010
Place : Mumbai**

**Sd/-
Ramesh Iyer
Managing Director**