

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2008

(Rs. In lacs)

Particulars	Quarter ended 30th September		Half Year ended 30th September		Year ended 31st March
	2008	2007	2008	2007	2008
Income from Operations	32758.72	28757.92	62223.28	53221.85	120575.45
Total Income	32758.72	28757.92	62223.28	53221.85	120575.45
Financial Expenses	13115.37	10849.14	24144.66	21166.86	45599.53
Staff Cost	3133.81	2628.38	5738.24	4438.05	9607.27
Other Expenses	4212.22	4071.25	7324.05	7616.53	14772.93
Depreciation & Amortisation	189.17	222.50	403.30	430.06	872.78
Provisions and Write Off	6977.72	5692.37	15774.86	11548.12	24628.69
Total Expenditure	27628.29	23463.64	53385.11	45199.62	95481.20
Profit from Operations before Other Income & Exceptional Items	5130.43	5294.28	8838.17	8022.23	25094.25
Other Income	332.32	506.22	811.25	1003.83	2104.55
Profit from Ordinary Activities before tax	5462.75	5800.50	9649.42	9026.06	27198.80
Tax Expense	1940.61	2028.00	3451.38	3110.00	9496.40
Net Profit	3522.14	3772.50	6198.04	5916.06	17702.40
Paid-up Equity Share Capital (Face Value of Rs.10 each)	9545.68	8406.29	9545.68	8406.29	9528.83
Reserves					121762.21
Earning Per Share **					
Basic (Rs.)	3.69	4.49	6.49	7.04	20.81
Diluted (Rs.)	3.63	4.39	6.40	6.88	18.27
Total Public Shareholding					
Number of shares	37215248	25821400	37215248	25821400	37046825
Percentage of holdings	38.41%	30.02%	38.41%	30.02%	38.23%

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2008

(Rs. In lacs)

Particulars	Quarter ended 30th September		Half Year ended 30th September		Year ended 31st March
	2008	2007	2008	2007	2008
Income from Operations	33105.31	29007.67	63005.17	53682.42	121639.14
Total Income	33105.31	29007.67	63005.17	53682.42	121639.14
Financial Expenses	13136.29	10843.21	24183.31	21157.16	45575.64
Staff Cost	3441.23	2805.24	6309.07	4757.16	10319.52
Other Expenses	4087.36	3944.02	7075.71	7436.18	14353.10
Depreciation & Amortisation	192.08	224.46	408.43	433.73	900.38
Provisions and Write Off	6988.27	5692.37	15796.67	11548.12	24634.60
Total Expenditure	27845.24	23509.30	53773.19	45332.35	95783.24
Profit from Operations before Other Income & Exceptional Items	5260.08	5498.37	9231.98	8350.07	25855.90
Other Income	322.19	494.65	800.17	980.28	2026.13
Profit from Ordinary Activities before tax	5582.26	5993.02	10032.15	9330.35	27882.03
Tax Expense	1999.86	2094.80	3619.45	3220.59	9768.50
Net Profit	3582.40	3898.22	6412.70	6109.76	18113.53
Paid-up Equity Share Capital (Face Value of Rs.10 each)	9545.68	8406.29	9545.68	8406.29	9528.83
Reserves					122555.41
Earning Per Share **					
Basic (Rs.)	3.75	4.64	6.72	7.27	21.29
Diluted (Rs.)	3.70	4.53	6.62	7.10	18.69
Total Public Shareholding					
Number of shares	37215248	25821400	37215248	25821400	37046825
Percentage of holdings	38.41%	30.02%	38.41%	30.02%	38.23%

**Earning per share for the interim period is not annualised

Notes:

- The above audited results have been approved by the Board of Directors of the Company at its Meeting held on 27th October, 2008.
- The company has a single reportable segment namely financial services for the purpose of Accounting Standard 17 on Segment Reporting.
- 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.
- Income from Operations for the quarter includes Income from fresh assignment transactions (net of upfront provision for loss/expenses) of Rs.1578.75 Lacs (Sept 07 : Rs.1895.31 lacs).

Income from Operations for the half year includes Income from fresh assignment transactions (net of upfront provision for loss/expenses) of Rs.3036.18 lacs (Sept 07: Rs.2812.47 lacs, March 08 : Rs.10084.88 lacs) & a write back of provision on earlier securitisation/assignment transactions of Rs.480.32 lacs (Sep07: Rs.331.23 lacs, Mar08: Rs.684.15 lacs) no longer required.

- The Consolidated results includes the Financial Results of the wholly owned subsidiaries Mahindra Insurance Brokers Ltd. & Mahindra Rural Housing Finance Ltd.
- Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September, 2008.

Particulars	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	0	43	43	0

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

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

sd/-
Ramesh Iyer
Managing Director

Date : 27th October, 2008
Place : Mumbai