

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2008** (Rs. In lacs)

Particulars	Quarter ended 31st December		Nine months ended 31st December		"Year ended 31st March"
	2008	2007	2008	2007	2008
Income from Operations	35324.57	31869.35	97547.85	85091.20	(Audited) 120575.45
<b>Total Income</b>	<b>35324.57</b>	<b>31869.35</b>	<b>97547.85</b>	<b>85091.20</b>	<b>120575.45</b>
Financial Expenses	14123.21	12632.65	38267.87	33799.51	45599.53
Staff Cost	2951.81	2462.18	8690.05	6900.23	9607.27
Other Expenses	3619.31	3368.13	10943.36	10984.66	14772.93
Depreciation & Amortisation	221.14	225.78	624.44	655.84	872.78
Provisions and Write Off	7880.02	7094.55	23654.88	18642.67	24628.69
<b>Total Expenditure</b>	<b>28795.49</b>	<b>25783.29</b>	<b>82180.60</b>	<b>70982.91</b>	<b>95481.20</b>
<b>Profit from Operations before Other Income &amp; Exceptional Items</b>	<b>6529.08</b>	<b>6086.06</b>	<b>15367.25</b>	<b>14108.29</b>	<b>25094.25</b>
Other Income	338.15	454.83	1149.40	1458.66	2104.55
<b>Profit from Ordinary Activities before tax</b>	<b>6867.23</b>	<b>6540.89</b>	<b>16516.65</b>	<b>15566.95</b>	<b>27198.80</b>
Tax Expense	2417.58	2293.85	5868.96	5403.85	9496.40
<b>Net Profit</b>	<b>4449.65</b>	<b>4247.04</b>	<b>10647.69</b>	<b>10163.10</b>	<b>17702.40</b>
Paid-up Equity Share Capital (Face Value of Rs.10 each)	9546.88	8406.29	9546.88	8406.29	9528.83
Reserves					121762.21
Earning Per Share **					
Basic (Rs.)	4.66	5.05	11.16	12.09	20.81
Diluted (Rs.)	4.59	4.94	10.99	11.82	18.27
Total Public Shareholding					
Number of shares	37227248	25821400	37227248	25821400	37046825
Percentage of holdings	38.42%	30.02%	38.42%	30.02%	38.23%

**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2008**

(Rs. In lacs)

Particulars	Quarter ended 31st December		Nine months ended 31st December		"Year ended 31st March"
	2008	2007	2008	2007	2008
Income from Operations	35774.43	32153.40	98779.60	85835.82	(Audited) 121639.14
<b>Total Income</b>	<b>35774.43</b>	<b>32153.40</b>	<b>98779.60</b>	<b>85835.82</b>	<b>121639.14</b>
Financial Expenses	14148.38	12626.06	38331.69	33783.22	45575.64
Staff Cost	3242.28	2646.26	9551.35	7403.42	10319.52
Other Expenses	3526.63	3320.04	10602.34	10756.22	14353.10
Depreciation & Amortisation	223.47	230.97	631.90	664.70	900.38
Provisions and Write Off	7880.41	7096.90	23677.08	18645.02	24634.60
<b>Total Expenditure</b>	<b>29021.17</b>	<b>25920.23</b>	<b>82794.36</b>	<b>71252.58</b>	<b>95783.24</b>
<b>Profit from Operations before Other Income &amp; Exceptional Items</b>	<b>6753.26</b>	<b>6233.17</b>	<b>15985.24</b>	<b>14583.24</b>	<b>25855.90</b>
Other Income	314.12	439.65	1114.29	1419.93	2026.13
<b>Profit from Ordinary Activities before tax</b>	<b>7067.38</b>	<b>6672.82</b>	<b>17099.53</b>	<b>16003.17</b>	<b>27882.03</b>
Tax Expense	2506.71	2359.82	6126.16	5580.41	9768.50
<b>Net Profit</b>	<b>4560.67</b>	<b>4313.00</b>	<b>10973.37</b>	<b>10422.76</b>	<b>18113.53</b>
Paid-up Equity Share Capital (Face Value of Rs.10 each)	9546.88	8406.29	9546.88	8406.29	9528.83
Reserves					122555.41
Earning Per Share **					
Basic (Rs.)	4.78	5.13	11.50	12.40	21.29
Diluted (Rs.)	4.71	5.02	11.32	12.12	18.69
Total Public Shareholding					
Number of shares	37227248	25821400	37227248	25821400	37046825
Percentage of holdings	38.42%	30.02%	38.42%	30.02%	38.23%

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

**Notes:**

- The above results have been approved by the Board of Directors of the Company at its Meeting held on 23rd January, 2009.
- In compliance with Clause 41 of the Listing Agreement with the Stock Exchange, a limited review of the results for the quarter ended 31st December, 2008 has been carried out by the Statutory Auditors.
- 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.2127.81 Lacs ( Dec 07 : Rs.2894.34 lacs).  
  
Income from Operations for the nine months period includes Income from fresh assignment transactions(net of upfront provision for loss/expenses) of Rs.5163.99 lacs (Dec 07: Rs.5706.80 lacs, March 08 : Rs.10084.88 lacs) & a write back of provision on earlier securitisation/assignment transactions of Rs.650.69 lacs ( Dec 07: Rs.606.66 lacs, Mar08: Rs.684.15 lacs) no longer required.
- During the current period, the Company has incurred Rs. 831.46 lacs as an ancillary expenditure in connection with the arrangement of borrowings and the same has been amortised over the tenure of the respective borrowing. In this respect, the current charge to Profit & Loss account is Rs.51.27 lacs.
- The Consolidated results includes the Financial Results of the 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 31st December, 2008.

Particulars	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	0	42	42	0

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

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

Date : 23rd January, 2009  
Place : Mumbai

sd/-  
Ramesh Iyer  
Managing Director