

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2006

(Rs. In lacs)

Particulars	Quarter ended 30th June		Year ended 31st March
	2006	2005	2006
Income from Operations	15945.22	11033.42	58231.65
Other Income	555.11	373.56	1409.22
Total Income	16500.33	11406.98	59640.87
Financial Expenses	6758.76	4572.21	21944.16
Staff Cost	1666.50	795.82	4054.66
Other Expenses	2337.92	1109.71	8748.64
Depreciation & Amortisation	145.62	101.91	517.33
Provisions and write off	2924.43	2234.05	8160.64
Total Expenditure	13833.23	8813.70	43425.43
Profit before tax and prior period adjustments	2667.10	2593.28	16215.44
Prior period adjustments	0.00	0.00	0.00
Profit before tax	2667.10	2593.28	16215.44
Provision for Current Tax including Fringe Benefit Tax	918.00	1058.00	6426.94
Provision for Deffered Tax	(174.00)	(164.12)	(1038.74)
Net Profit	1923.10	1699.40	10827.24
Paid-up Equity Share Capital (Face Value of Rs.10 each)	8331.40	7015.61	8331.40
Reserves			59868.27
Earning Per Share ***			
Basic (Refer Note no 7)	2.23	2.28	14.59
Diluted	2.16	2.28	14.41

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

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their Meeting held on 22nd July, 2006.
- In compliance with Clause 41 of the Listing Agreement with the Stock Exchange, a limited review of the results for the quarter ended 30th June 2006 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
- The Company has during the quarter redeemed 25,00,000 Non Convertible Preference Shares of Rs. 100 each.
- Income from Operations include write back of provision on securitisation of Rs. 556.17 lacs (Jun05: Rs. Nil, Mar06: Rs.918.70 lacs) no longer required.
- In the computation of earnings per share above, the Company has given effect to the Guidance Note on Accounting for Employee Share-based payments issued by the Institute of Chartered Accountants of India.
- Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th June, 2006

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	126	1045	1171	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 : 22nd July, 2006
Place : Mumbai

sd/-
Anand Mahindra
Chairman