

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2006**

(Rs. In lacs)

Particulars	Quarter ended 31st December		Nine months ended 31st December		Year ended 31st March
	2006	2005	2006	2005	2006
Income from Operations	21372.80	14040.66	56693.59	39126.67	58231.65
Other Income	321.14	88.70	1152.85	703.29	1409.22
<b>Total Income</b>	<b>21693.94</b>	<b>14129.36</b>	<b>57846.44</b>	<b>39829.96</b>	<b>59640.87</b>
Financial Expenses	8560.90	5754.50	22828.93	15175.88	21944.16
Staff Cost	1540.78	1048.96	4733.98	2842.86	4054.66
Other Expenses	3415.43	2883.92	8633.92	5866.52	8748.64
Depreciation & Amortisation	155.77	132.97	454.66	361.35	517.33
Provisions and Write Off	4148.50	1935.74	9780.75	6316.52	8160.64
<b>Total Expenditure</b>	<b>17821.38</b>	<b>11756.09</b>	<b>46432.24</b>	<b>30563.13</b>	<b>43425.43</b>
Profit Before Tax	3872.56	2373.27	11414.20	9266.83	16215.44
Provision for Current Tax including Fringe Benefit Tax	1752.00	1205.96	4833.00	4101.00	6426.94
Provision for Deferred Tax	(442.00)	(443.27)	(937.00)	(941.27)	(1038.74)
Net Profit	2562.56	1610.58	7518.20	6107.10	10827.24
Paid-up Equity Share Capital (Face Value of Rs.10 each)	8331.40	7048.88	8331.40	7048.88	8331.40
Reserves					59868.27
Earning Per Share **					
Basic ( Refer Note no. 6 )	3.08	2.30	8.91	8.42	14.59
Diluted	2.98	2.30	8.63	8.42	14.41

\*\* 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 24th January, 2007.
- 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, 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
- Income from Operations for the nine months ended December 31, 2006 includes write back of provision on securitisation of Rs.556.17 lacs (Dec05: Rs.918.70 lacs, Mar06: Rs.918.70 lacs; Quarter ended Dec06 Nil; Quarter ended Dec05 Nil) 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 31st December, 2006.

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	0	170	170	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 : 24th January, 2007  
Place : Mumbai