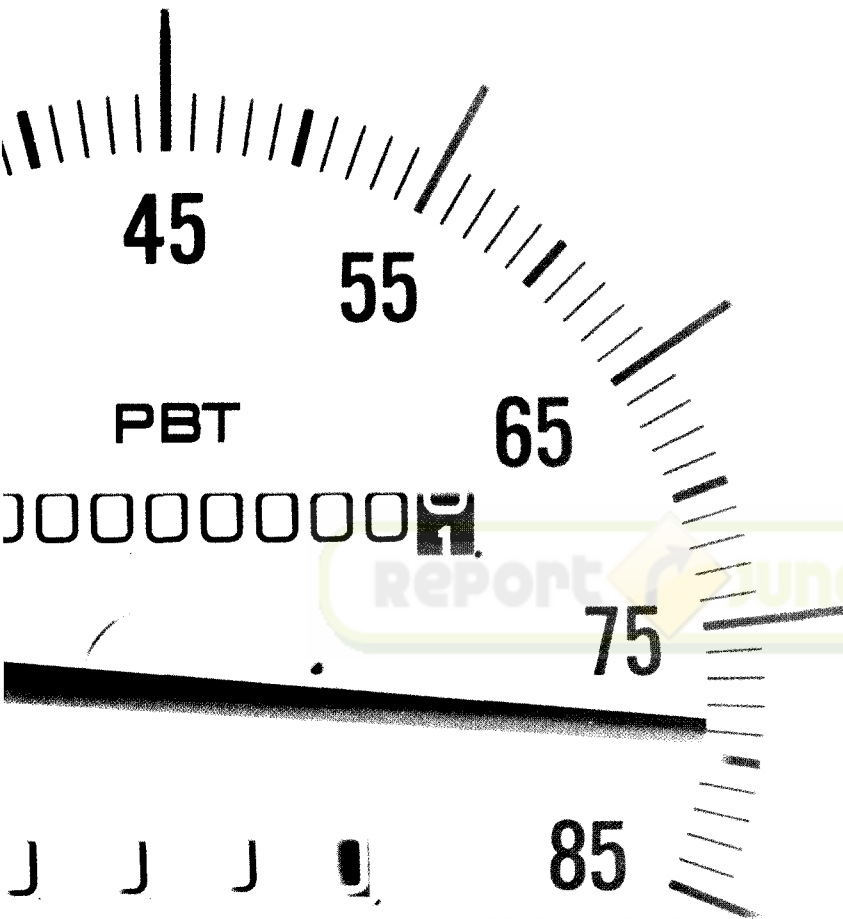


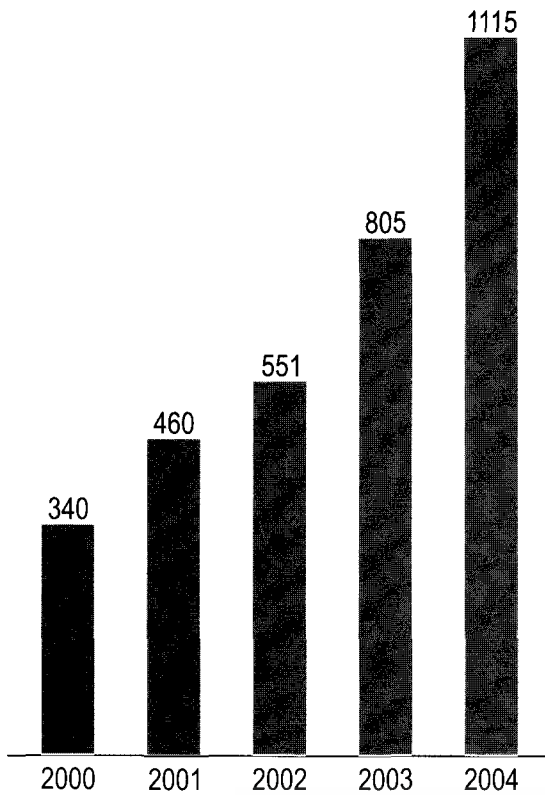
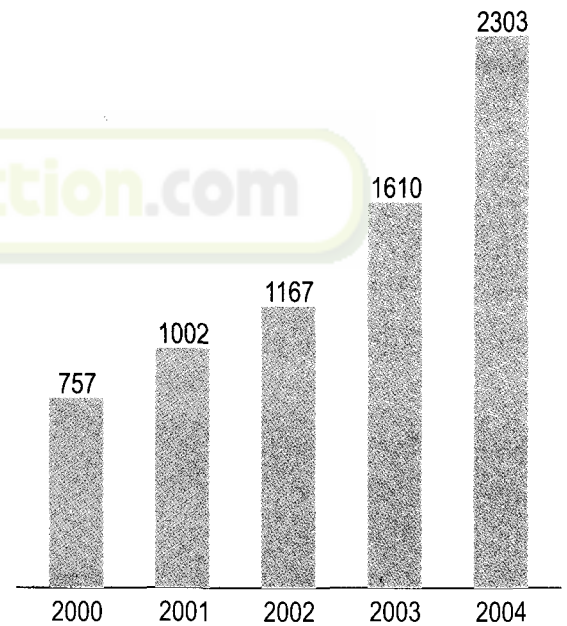
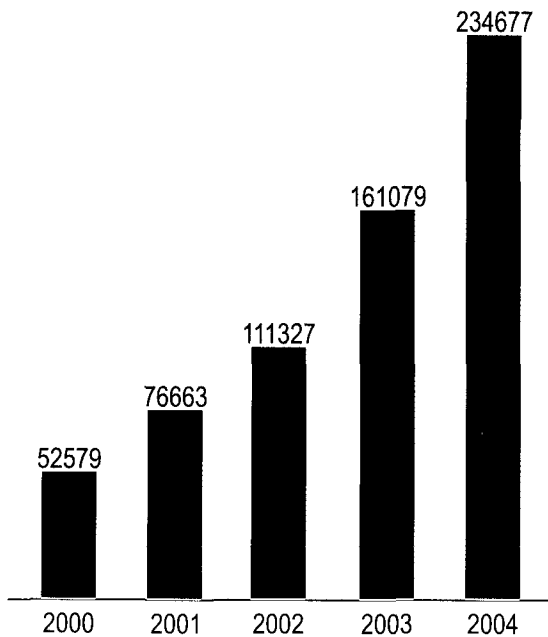
Year ends.

Journey continues.



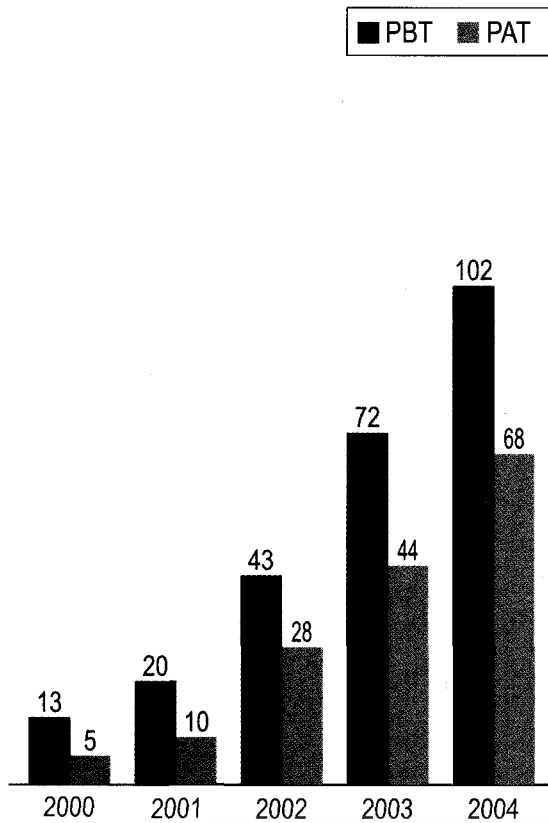
NEW CORPORATE OFFICE



NO. OF EMPLOYEES**GROWTH IN DISBURSEMENT**
(Rs. in Crores)**NO OF CONTRACTS**

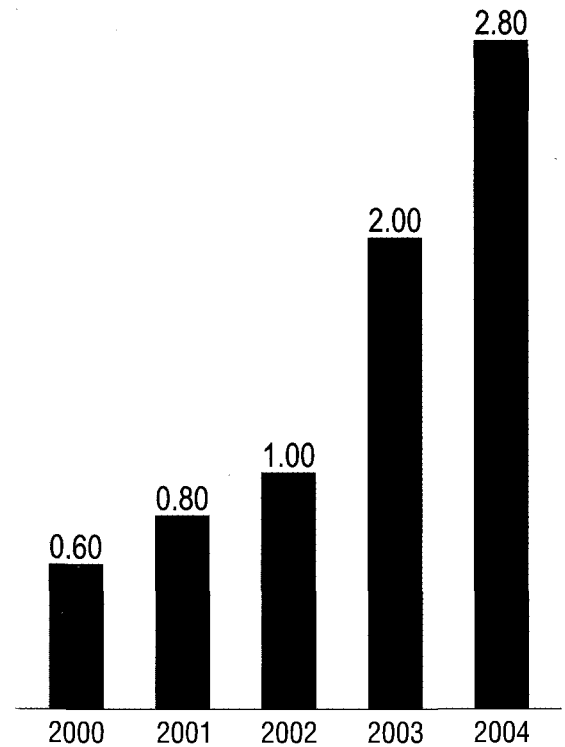
GROWTH IN PROFITS

(Rs in Crores)



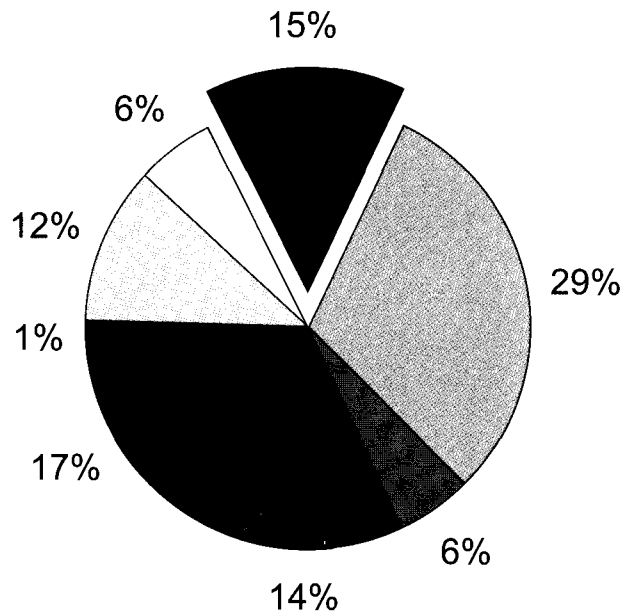
DIVIDEND PER SHARE

(Rs.)



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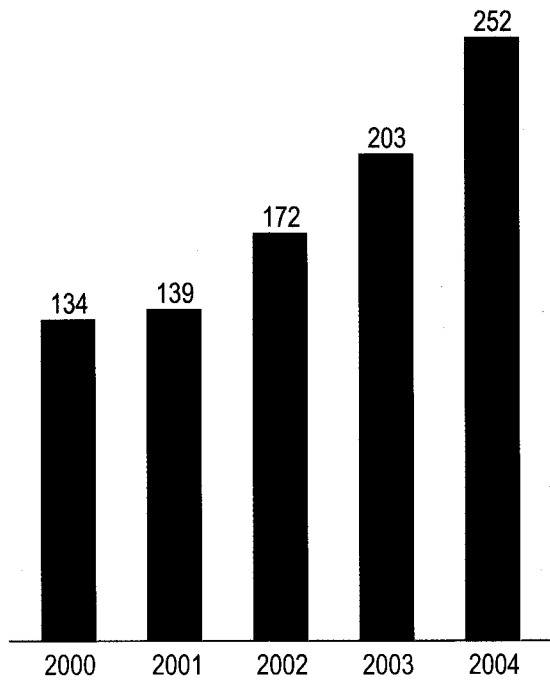
DISTRIBUTION OF INCOME



- | | |
|------------------------|--------------------------|
| Interest | Depreciation |
| Employee Cost | Current & Deferred Tax |
| Other Expenses | Dividends & Dividend Tax |
| Write off & Provisions | Retained Earnings |

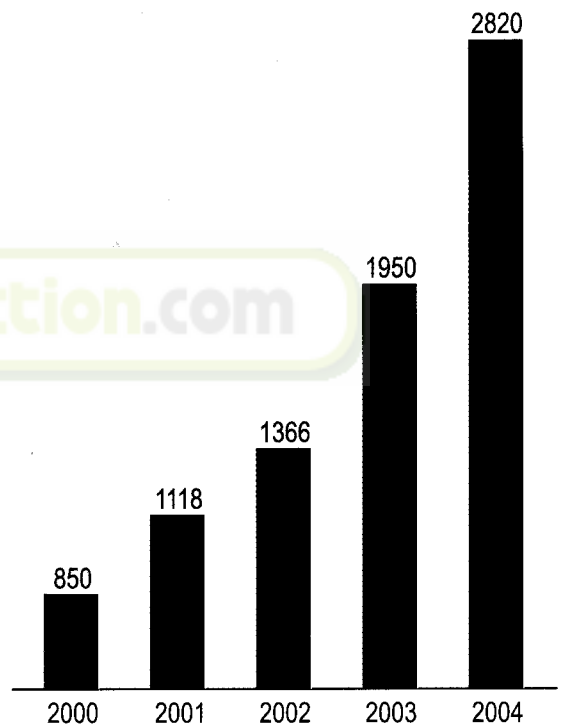
GROWTH IN SHAREHOLDERS' FUND

(Rs in Crores)

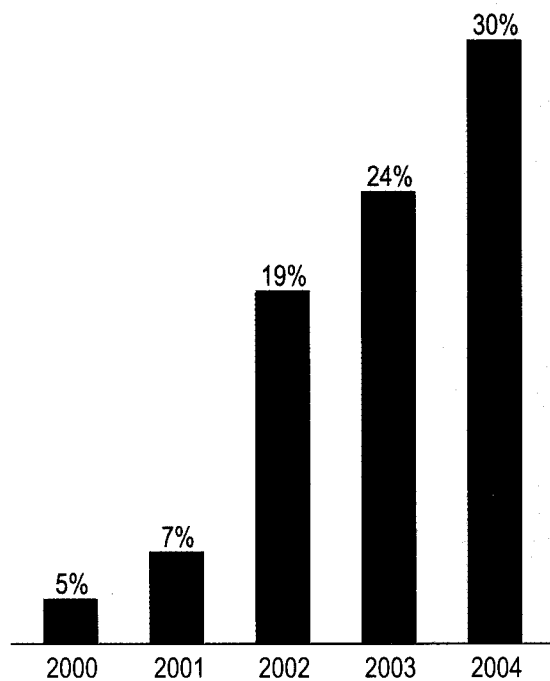


ASSETS UNDER MANAGEMENT

(Rs in Crores)



RETURN ON NETWORTH



INNOVATIVE SECURITISATION DEALS

*This announcement
appears as a matter of
record only*



**Mahindra and Mahindra
Financial Services Limited**

**Asset Backed Securitisation
Pass Through Certificates**

Rs. 1,522,437,131

**Landmark Securitisation Issuance by a
Non Banking Financial Company**

Structurer and Sole Arranger

citigroup

**Distribution and Placement Agent
Citicorp Brokerage (India) Limited**

August 2003



**Mahindra & Mahindra Financial
Services Limited**

Asset-backed Securitisation

Rs. 105 Crores

**Structurer and Sole Arranger
Citibank N.A.**

**Distribution and Placement Agent
Citicorp Capital Markets Limited**

citigroup

February 2004

This announcement appears as a matter of record only

**India's First Utility Vehicles
Receivables Floating
Rate Securitisation**

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DIRECTORS

Anand G. Mahindra Chairman

Bharat Doshi

Alan Durante

Uday Y. Phadke

K. J. Davasia

Dhananjay Mungale

M. G. Bhide

Nasser Munjee

Dipak Rudra

Ramesh Iyer

Managing Director

Chief Financial Officer

V. Ravi

Company Secretary

N. Shankar

Auditors

B. K. Khare & Co.

Chartered Accountants,

706/708, Sharda Chambers,

Mumbai - 400 020.

Solicitors

Little & Co.

Central Bank Building,

Mahatma Gandhi Road,

Mumbai - 400 023.

Bankers

State Bank of India

Union Bank of India

Corporation Bank

Punjab National Bank

Canara Bank

Indian Overseas Bank

Standard Chartered Bank

Bank of America

ABN Amro Bank

Bank of Nova Scotia

Credit Lyonnais

HDFC Bank Ltd.

IDBI Bank Ltd.

Ing Vysya Bank Ltd.

UTI Bank Ltd.

United Western Bank Ltd.

Dhanalakshmi Bank Ltd.

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

Corporate Office

Sadhna House, 2nd Floor,

Behind Mahindra Towers,

570 P.B. Marg, Worli,

Mumbai-400 018.

Registered Office

Gateway Building,

Apollo Bunder,

Mumbai - 400 001.

FOURTEENTH ANNUAL GENERAL MEETING

Date : 2nd August, 2004

Day : Monday

Time : 5.00 p.m.

Place : Sadhna House, 2nd Floor, Behind Mahindra Towers,
570 P.B. Marg, Worli, Mumbai-400 018.

SUMMARY OF RESULTS

[Rs. in lacs]

	F-2004	F- 2003	F- 2002	F- 2001	F-2000
Business Disbursement	230270	160985	116675	100197	75748
No. of Contracts	234677	161079	111327	76663	52579
Assets under Management	282036	195003	136624	111793	85015
Total Income	31282	24989	19134	13887	11857
Profit before depreciation & tax	10647	8022	5529	3837	3377
Depreciation	460	847	1187	1790	2031
Profit before tax	10187	7175	4342	2047	1346
Profit after tax	6762	4435	2772	961	541
Dividend %	28	20	10	8	6
Equity Share Capital	6062	6062	6062	6062	6062
Reserves & Surplus	19111	14264	11119	7804	7377
Net Worth	25173	20326	17181	13866	13439
No. of employees	1115	805	551	460	340
Branches	224	196	151	128	115

DIRECTORS' REPORT**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors are pleased to present the Fourteenth Annual Report together with the audited accounts of your Company for the year ended 31st March, 2004. The summarized financial results of the Company, are given hereunder :

FINANCIAL RESULTS :

	Rs. in lacs	
	2004	2003
INCOME	31282.48	24989.28
LESS : FINANCE COSTS	9687.71	8569.36
EXPENDITURE	10947.28	8397.98
DEPRECIATION	460.48	846.58
	21095.47	17813.92
PROFIT BEFORE TAX	10187.01	7175.36
LESS : PROVISION FOR TAX-CURRENT TAX	4191.51	3533.00
LESS/(ADD) : PROVISION FOR TAX-DEFERRED TAX (NET)	(524.73)	(792.62)
PROFIT AFTER TAX FOR THE YEAR	6520.23	4434.98
ADD : EXCESS PROVISION FOR TAX-EARLIER YEARS (NET)	242.23	---
	6762.46	4434.98
ADD : AMOUNT BROUGHT FORWARD FROM PREVIOUS YEARS	4207.83	2299.98
AMOUNT AVAILABLE FOR APPROPRIATION	10970.29	6734.96
APPROPRIATIONS :		
GENERAL RESERVE	680.00	350.00
STATUTORY RESERVE	1353.00	887.00
DIVIDEND ON EQUITY SHARES (INTERIM)	666.86	606.23
INCOME-TAX ON DIVIDEND (INTERIM)	85.44	-
PROPOSED DIVIDEND ON EQUITY SHARES (FINAL)	1030.60	606.23
INCOME-TAX ON PROPOSED DIVIDEND (FINAL)	132.04	77.67
SURPLUS CARRIED TO BALANCE SHEET	7022.35	4207.83
	10970.29	6734.96
LOAN DISBURSEMENTS DURING THE YEAR	230269.56	160985.12

DIRECTORS' REPORT

DIVIDEND

Your Directors declared an interim dividend of 11% (Rs. 1.10 per equity share). The dividend entailing an outgo, including tax, of Rs. 752.30 lacs has already been paid to the shareholders whose names appeared in the Register of Members as on 6th November, 2003.

Your Directors are pleased to recommend a final dividend of 17% (Rs. 1.70 per equity share), payable to those members whose names appear in the Register of Members as on the Record date fixed for the purpose. The final dividend, inclusive of tax on distributed profits, will absorb a sum of Rs. 1162.64 lacs.

The total dividend outgo on account of dividend payment for the financial year 2003-2004, inclusive of tax on distributed profits, is Rs. 1914.94 lacs, as against Rs. 1290.13 lacs paid for the previous year.

OPERATIONS

The year under review saw a robust growth in the sale of automobile products due to overall growth in Indian economy aided by a good monsoon during the year.

The sale of Utility Vehicles, Light Commercial Vehicles and Passenger Cars which forms a substantial part of your Company's disbursement reported significant growth during the year as compared to previous year.

The fiscal year 2003-04 also saw the Tractor Industry recording its first year of positive growth after three continuous years of de-growth.

Your Directors are pleased to inform you that the total disbursements of your Company registered a growth of 43 per cent at Rs. 2302 crores over last year's disbursement of Rs. 1609 crores amidst competition from Banks and other NBFCs. Your Company continued to be a leading financier for four wheelers amongst NBFCs.

During the year, your Company had also financed cars of reputed automobile manufacturers to a significant extent. The financing of pre-used vehicles also showed growth over previous year.

Your Company continued to maintain its market share of

disbursement for products of the parent Company.

During the year under review, your Company added 73598 contracts thereby taking the total client base to over 2 lac contracts.

Your Company registered a growth of 25% in income at Rs. 31282.48 lacs for the financial year 2003-04 as against Rs. 24989.28 lacs for the previous year. Your Directors are pleased to inform you that the Company's pre-tax profit stood at Rs.10187.01 lacs as compared to Rs. 7175.36 lacs for the previous year registering an increase of around 42%. The profit after tax at Rs. 6520.23 lacs is 47% higher than the previous year's profit of Rs. 4434.98 lacs.

Your Company continued to provide additional provisions to the extent of Rs. 1057.22 lacs towards non-performing assets over and above the norms of Reserve Bank of India as per the recommendation of the Audit Committee of the Board.

During the year, your Company has widened its reach by adding 28 more branches taking the total network to 224 branches as of 31st March, 2004.

SUBSIDIARY COMPANY

Subsequent to the year-end, Mahindra Allied Investments Ltd. became a subsidiary of your Company and its name was changed to Mahindra Insurance Brokers Ltd.

INSURANCE DISTRIBUTION

The insurance distribution started by your Company during last year through a Corporate Agency arrangement with M/s. OM Kotak Mahindra Life Insurance Co. Ltd. (OMKM) was well received by your customers. Your Company further consolidated Mahindra Loan Suraksha (Group Credit Term Plan) launched towards the end of 2002-03, and also mobilised retail business during this fiscal year. During the year under consideration, your Company covered more than 17,821 lives with a Sum Assured of around Rs. 486 crores, including the retail business. The premium collected for the same amounted to Rs. 2.07 crores. Your Company accomplished an important milestone by reaching the Top 5 Corporate Agents of OMKM within the first year of its operations itself.