



Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
West Bengal, India
T: 91 33 4401 7350 / 7200
E: magma@magma.co.in
CIN:-L51504WB1978PLC031813
Website:- www.magma.co.in



May 13, 2014

The Secretary,
Corporate Relationship Department
BSE Limited
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001

(Company Code - 524000)

Manager,
Listing Department,
National Stock Exchange of India Limited
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

(Symbol - MAGMA)

Dear Sir,

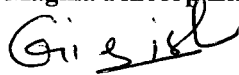
Sub: Clause 31 of the Listing Agreement

Pursuant to Clause 31 of the Listing Agreement, please find attached herewith 6 copies of the Postal Ballot Notice dated 8th May, 2014 along with Postal Ballot Form under Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 seeking the consent of the members for the following:

- a. Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 upto Rs. 25000 Crores
- b. Creation of Charges on the movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013, both present and future, in respect of borrowings
- c. Issuance of debt securities pursuant to Section 42, 71 and 180(1)(c) of the Companies Act, 2013 upto an overall ceiling of Rs. 2200 crores on Private Placement Basis
- d. Authorization for raising finance through issue of Securities pursuant to Section 62(1)(c) of the Companies Act, 2013

This is for your information and record.

Thanking You,
For **Magma Fincorp Limited**


Girish Bhatia
Company Secretary

Encl: As above



MAGMA FINCORP LIMITED

Registered Office: “Magma House”, 24, Park Street, Kolkata - 700 016

Phone : 033-44017200/350, Fax: 033-44027731

CIN: L51504WB1978PLC031813•Website: www.magma.co.in

NOTICE OF THE POSTAL BALLOT

NOTICE is hereby given that pursuant to Section 110 of the Companies Act, 2013, (the Act) read with Rule 22 of Companies (Management and Administration) Rules, 2014, the following special business be transacted by the Members of Magma Fincorp Limited by passing the Resolutions through Postal Ballot.

Your consideration and approval is sought for the Resolutions annexed herewith. The Statement to be annexed to Notice under Section 102 (1) of the Act setting out the material facts and reasons for the Resolutions is also appended herewith and is being sent to you along with a Postal Ballot Form for your consideration.

E-Voting Option

We are pleased to offer e-voting facility also as an alternative which would enable you to cast your votes electronically, instead of physical postal ballot form. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in the Postal Ballot Form. References to Postal Ballot(s) below include votes received electronically.

The Scrutinizer will submit his report to the Chairman or any other Director of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot will be announced on Tuesday, 17th June, 2014 at the Registered Office of the Company. The result of the postal ballot will be posted on the Company's website www.magma.co.in. The result of the postal ballot shall also be announced through newspaper advertisement.

SPECIAL BUSINESS:

1. Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 upto Rs. 25000 Crores

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the members of the Company under Section 293(1)(d) of the Companies Act, 1956 at the 33rd Annual General Meeting held on 18th July, 2013, consent of the Company be and is hereby granted to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow sum or sums of money, which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Bankers of the Company in the ordinary course of business), not exceeding Rs. 250,00,00,00,000/- (Rupees Twenty Five Thousand Crores only) notwithstanding that such aggregate amount of moneys borrowed and outstanding at any one time may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby empowered and authorized to arrange and finalise the terms and conditions of all such monies to be borrowed from time to time, to sign and execute such debenture/security deeds, deeds of mortgage, charge, pledge, hypothecation and such others papers, deeds and documents as they may, in their absolute discretion, deem fit and proper.”

2. Creation of Charges on the movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 both present and future, in respect of borrowings

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the members of the Company under Section 293(1)(a) of the Companies Act, 1956 at the 15th Annual General Meeting held on 25th February, 1995 and pursuant to

Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) of the Company to create such mortgages, hypothecations and/or charges in addition to the existing mortgages/charges/hypothecations created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the substantial assets of the Company in certain events in favour of Bank(s), Financial or Other Institution(s), Mutual Fund(s), Trustee(s), Non Resident(s) Indian, NRIs, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) or any other person(s) (hereinafter collectively referred to as “lenders”) for securing borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or in rupee currency) and Securities (comprising fully/partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest, in the case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration to the Agent(s)/Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/ Head(s) of Agreement(s), Debenture(s), Trust Deed(s) or any other document(s), entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of securities as maybe stipulated in that behalf and agreed to between the Board of Directors or any Committee thereof and the Lender(s) / Agent(s) / Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.”

3. Issuance of debt securities pursuant to Sections 42, 71 and 180(1)(c) of the Companies Act, 2013 upto an overall ceiling of Rs. 2200 crores on Private Placement Basis

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and 180(1)(c) of the Companies Act, 2013 read with relevant rules thereunder and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment thereof) and Section 293(1)(d) of the Companies Act, 1956 read with circular no. 04/2014 dated 25.03.2014 issued by the Ministry of Corporate Affairs and relevant RBI Regulations as may be applicable, consent of the shareholders of the Company be and is hereby accorded for issue on private placement basis, in one or more series or tranches, in such classes and with such rights or terms as may be considered necessary, one or more of the following non convertible debt securities, that is to say, secured debentures, unsecured debentures, bonds, subordinated debt securities, covered bonds, or other debt securities, whether constituting a charge (including in the nature of pledge) on any specific or general assets of the company or not (herein inclusively referred to as “Debt Securities”), such that the aggregate value of such Debt Securities during financial year 2014-15 shall not exceed, excluding any Debt Securities already issued earlier or any re-issuance thereof, upto an amount of Rs. 2200 crores (Rupees Two thousand and two hundred crores only) to Banks, Pension Funds, Mutual Funds and other entities including but not limited to Multilateral Development Organization, Institutional Investors, Financial Institutions, Companies etc.

RESOLVED FURTHER THAT consent of the shareholders of the Company be and is hereby accorded to the Board or any Committee thereof to deal with the matters relating to the finalization of the terms and conditions of such Debt Securities to be issued from time to time within the aggregate limit above, including any terms as amount payable on application and calls from time to time, and offer the same on private placement basis to any one or more investors including any Banks, Pension Funds, Mutual Funds and other entities including but not limited to Multilateral Development Organization, institutional investors, financial institutions, companies or other person.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized and empowered to consider, transact and decide matters, from time to time, pertaining to the private placement of Debt Securities, including finalization and issuance of any offer letter, opening of a separate bank account and allot the Debt Securities in one or more tranches, including, where so considered appropriate, amount payable on application and further amounts as may be called from time to time and the allotment thereof, to sign, verify, execute and file all necessary forms and documents, if any, with any governmental authority including but not limiting to the Registrar of Companies, Kolkata, West Bengal, Securities and Exchange Board of India and/or such other authorities as may be required from time to time and to do all such acts, deeds,

matters and things necessary or expedient to give effect to the issue of Debt Securities and ensuring compliance and/or any actions as may be required under applicable law.”

4. **Authorization for raising finance through issue of Securities pursuant to Section 62(1)(c) of the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 62(1)(c) and other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where equity shares of the Company of face value Rs. 2/- each (the “Equity Shares”) are listed (the “Listing Agreements”) and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”), Foreign Exchange Management Act, 1999, as amended (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended (including any amendment(s), statutory modification(s) or re-enactment thereof) and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GOI”), Registrar of Companies, the Stock Exchanges, Department of Industrial Policy & Promotion (“DIPP”) and/ or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, Foreign Investment Promotion Board, GOI and/ or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/ or sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof), consent be and is hereby accorded to create, offer, issue and allot the Equity Shares and/ or secured debentures, bonds, or any other securities whether convertible into Equity or not whether or not attached with warrants, and/ or Global Depository Receipts (“GDRs”) and/ or American Depository Receipts (“ADRs”) and/ or other Depository Receipts or otherwise, in the course of domestic and/ or international offerings representing either equity shares and/ or convertible securities or equity linked instruments or a combination of the foregoing (hereinafter referred to as the “Securities”), for an amount not exceeding Rs. 500 crores (Rupees Five Hundred Crores only) inclusive of permissible green shoe option, for cash and at such premium, as the Board deems fit in Indian and/ or any other currency(ies) or equivalent in Indian and/ or any other currency(ies) to all eligible investors including but not limited to Residents and/ or Non-residents, whether Institutions, Incorporated Bodies, Foreign Institutional Investors, Qualified Institutional Buyers as defined in Regulation 2(1)(zd) of SEBI (ICDR) Regulations, Banks, Mutual Funds, Insurance Companies, Pension Funds, Trusts, Stabilizing Agents and/ or otherwise and/ or a combination thereof, whether or not such investors are members, promoters, directors or their relatives/ associates of the Company, in the course of domestic and/ or international offerings through Public Issue(s) and/ or Private Placement(s) and/ or Qualified Institutions Placement (“QIP”) in terms of Chapter VIII of SEBI (ICDR) Regulations and/ or any other permitted modes through a prospectus and/ or an offer document and/ or such other documents/ writings/ circulars/ memoranda in such manner, for cash at such time or times in such tranche or tranches at such price or prices at a discount or premium to the market price or prices in such manner and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors, wherever necessary, in consultation with the Advisors, Merchant Bankers and all such agencies as may be involved or concerned in such offerings of securities so as to enable the Company to list at any Stock Exchange in India and/ or Luxembourg and/ or London and/ or New York and/ or Singapore and/ or Hong Kong and/ or any of the Overseas Stock Exchanges as may be permissible.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/ or in the market and/ or at the place of issue of the Securities in the international market and may be governed by the applicable laws.

RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and other applicable provisions, as amended from time to time.

RESOLVED FURTHER THAT in the event of the issue of Securities as aforesaid by way of Qualified Institutions Placement in terms of Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time:

- a) The relevant date for the purpose of determining the pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, and/ or other applicable regulations, be the date of the meeting in which the Board or duly authorised Committee thereof decides to open the proposed issue of the Securities, subsequent to the receipt of Members’ approval in terms of Section 62(1)(c) and other applicable provisions and rules, if any, of the Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of Securities;

- b) The pricing shall be determined in compliance with principles and provisions set out in the Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time. The Board may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Securities shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Securities shall be fully paid up on its allotment, which shall be completed within 12 months of the date of passing the Special Resolution by the shareholders of the Company;
- d) The total amount raised in such manner and all previous QIPs made by the Company in a financial year would not exceed 5 times of the Company's net worth as per the audited balance sheet for the previous financial year;
- e) The Securities shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized Stock Exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agencies or bodies as may be authorized for the issue of the Securities including the depository receipts (including by way of GDRs or ADRs) represented by underlying shares in the capital of the Company or such other Securities as may be required with such features and attributes as are prevalent in international/ domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and/ or international practice and regulations, and under the norms and practices prevalent in the domestic/ international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the consent of the Shareholders of the Company be and is hereby accorded to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer document(s), determining the form and manner of the issue, including the class of investors to whom the securities are to be issued and allotted, number of securities to be allotted, issue price, face value, execution of various transaction documents, as may be deemed fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the proceeds as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Securities to be created, issued allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Equity Shares shall be listed with the Stock Exchanges, where the existing Equity Shares of the Company are listed and the same shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, collection bank, lawyers, advisors and all such agencies as may be involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized Stock Exchange(s), to affix common seal of the Company on any arrangement, contracts/ agreements, memorandum, documents etc. as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/ or other intermediaries as may be appointed by the Company in relation to the issue of Securities, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of the aforesaid Equity Shares and listing thereof with the Stock Exchanges or otherwise as may be required in relation to the Issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of any of the Equity Shares, including finalization of the number of Equity Shares to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the Investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as may be deemed fit to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of the Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper and to do all acts, deeds, matters and things in connection therewith and incidental thereto as may be deemed fit and to settle any questions, difficulties or doubts that may arise in relation to any of the aforesaid or otherwise in relation to the issue of Securities.

RESOLVED FURTHER THAT subject to the applicable law, the Board or any Committee thereof be and is hereby authorized to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to creation, issue and allotment of Securities including but not limited to:

- a. Approving the offer document and filing the same with any other authority or persons as may be required;

- b. Approving the specific size of the offering, the issue price (including the premium or discount to the floor price, as the case may be), the number of Securities to be allotted, the basis of allocation and allotment of Securities;
- c. To affix the Common Seal of the Company on any agreement(s)/ document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company or any person who shall be authorised in this behalf, who shall sign the same in token thereof;
- d. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the Company;
- e. Deciding upon the issue structure;
- f. Determining the issue opening and closing dates;
- g. Determining the issue price (including the premium or discount to the floor price, as the case may be) of the Securities;
- h. Allotment of Securities;
- i. Opening such bank accounts and demat accounts as may be required for the transaction;
- j. To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- k. To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- l. To maintain complete record of private placements;
- m. Making applications for listing of the Securities of the Company on one or more Stock Exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned Stock Exchange(s); and
- n. To authorize or delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company;

Registered Office :

“Magma House”,
24 Park Street,
Kolkata-700 016
West Bengal

8th May, 2014

By order of the Board of Directors
For **Magma Fincorp Limited**

Sd/-
Girish Bhatia
Company Secretary

NOTES

1. Explanatory statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013, in respect of the business set out above is annexed hereto.
2. Committee of the Board of Directors which has been authorized in this regard has appointed M/s. A. K. Labh & Co., Company Secretaries, Kolkata, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
3. The voting rights of the Members shall be reckoned as on Friday, 2nd May, 2014 which is the cut-off date.
4. The Scrutinizer will submit their report to the Chairman or any other Director after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Tuesday, 17th June, 2014, at the registered office of the Company and the same will also be placed on the Company’s website i.e. “www.magma.co.in”. The result of the postal ballot shall also be announced through newspaper advertisement.
5. The Scrutinizer’s decision on the validity of a Postal Ballot form shall be final.
6. Member(s) desiring to exercise vote can do so either by sending Postal Ballot Form or by using e-voting facility.
7. In case a member(s) desires to exercise vote by Postal Ballot Form, he is requested to carefully read the instructions printed on the Postal Ballot Form. After completing the enclosed Postal Ballot Form, send the self-addressed Business Reply Envelope to the Scrutinizer. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent other than by regular post at the expenses of the registered member will also be accepted. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours on Friday, 13th June, 2014. All Postal Ballot Forms received after this date will be treated as if reply from such Member has not been received. Also no other Form or Photocopy thereof is permitted.
8. In case a member desires to exercise vote by using e-voting facility, then he has to carefully follow the instructions given under the heading “Instructions” of Postal Ballot Form. He can use the facility and log in any number of times till he has voted on the resolution or till the end of the voting period i.e. Friday, 13th June, 2014, whichever is earlier.

9. All the material documents referred to in the Explanatory Statement will be made available for inspection by the Members, at the Registered Office of the Company, between 11:00 a.m. and 5:00 p.m. on any working day from 15th May, 2014 to 13th June, 2014.
10. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to the Company Secretary, Magma Fincorp Ltd., Magma House, 24 Park Street, Kolkata - 700016.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

On 18th July, 2013 members of the Company by way of an ordinary resolution passed at the Annual General Meeting of the Company had accorded their consent to the Board of Directors to borrow funds to the extent of Rs. 25,000 crore in excess of the paid up capital and free reserves of the Company. Consequent to notification of Section 180 of the Companies Act, 2013 consent of the Company is required by way of a special resolution to borrow funds in excess of the paid up capital and free reserves of the company. Accordingly, Item no.1 has been put forward for your approval. For avoidance of doubt, it is clarified that this resolution does not propose to increase the amounts that may be borrowed by the Board of Directors that had already been approved by the members of the Company.

The Board of Directors recommend the Resolution at Item no. 1 for your approval as Special Resolution.

None of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in this Resolution.

ITEM NO. 2

On 25th February, 1995, members of the Company by way of an ordinary resolution passed at the Annual General Meeting of the Company had accorded their consent to the Board of Directors to mortgage and / or create charge on all or anyone of the moveable / immovable properties or such other assets of the company, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956. Consequent to notification of Section 180 of the Companies Act, 2013 consent of the Company is required by way of a special resolution to create mortgage and/or charge on the movable/ immovable properties of the Company. Accordingly, Item no. 2 has been put forward for your approval. For avoidance of doubt, it is clarified that this resolution does not propose to change the limit that had already been approved by the members of the Company.

The Board of Directors recommends the Resolution at Item no. 2 for your approval as Special Resolution.

None of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in this Resolution.

ITEM NO. 3

The Company issues various debt securities from time to time, such as secured non convertible debentures, unsecured non convertible debentures, subordinated debentures, etc. These debt securities are integral to the management of long term funds to be used for asset finance business of the Company and are considered essential for providing leverage to the Company.

As per broad financial plans for the financial year 2014-15, the Company may be required to issue during the financial year debt securities upto Rs. 2200 crores for general corporate purposes of the Company. The nature of these securities may include secured debentures, unsecured debentures, bonds, subordinated debt securities, covered bonds, or other debt securities, whether constituting a charge (including in the nature of pledge) on any specific or general assets of the company or not (herein inclusively referred to as "Debt Securities"), as permitted as per extant applicable regulations of the Reserve Bank of India for Non-Banking Financial Companies. These securities may be issued in one or more tranches on private placement basis to Banks, Pension Funds, Mutual Funds and other entities including but not limited to Multilateral Development Organization, Institutional Investors, Financial Institutions, Companies etc.

Pursuant to Section 42 of the Companies Act, 2013 read with relevant rules of Companies (Prospectus and Allotment of Securities) Rules, 2014, and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment thereof) prior approval of shareholders of the Company by way of special resolution is required for any private placement of securities. The said approval may be taken only once in a year for all the offers on private placement basis for the non-convertible debt securities proposed to be issued during the year.

Accordingly, the Board of Directors recommends the Resolutions at Item no. 3 for your approval as special resolution, and subject thereto, to issue such securities from time to time as considered necessary.

None of the Directors & Key Managerial Personnel of the Company including their relatives are, in any way concerned or interested in this Resolution.

ITEM NO. 4

The Company had last year contemplated raising finance by way of issue of Securities to augment long term working capital requirements of the Company in view of the growth in the business of the Company, strengthen the financial position of the Company by augmenting its long term capital resources and to continue meeting the capital adequacy norms prescribed by the RBI from time to time as applicable to the Company. The Board of Directors of the Company at their meeting held on 17th January, 2013 had authorized the Company to raise capital through issue of Securities in one or more tranches upto a sum of Rs. 500 crores (including premium) and the same was approved by the Shareholders of the Company on 13th April, 2013 by way of Postal Ballot. However due to the then prevailing economic environment, the Company decided not to act upon the said resolution passed by the shareholders of the Company. In accordance with applicable regulations of Securities and Exchange Board of India, the Special Resolution passed by the shareholders of the Company was valid for a period of 12 months till 12th April, 2014.

Considering the chance of upturn in the economic environment, the Company wishes to once again explore the possibilities of raising Capital through issuance of securities.

The Company is now proposing to raise capital through issue of Securities in one or more tranches up to a sum of Rs. 500 crores (including premium).

The Company has been exploring various avenues for raising funds by way of issue of Equity Shares and /or Global Depository Receipts (“GDRs”) and /or American Depository Receipts (“ADRs”) and /or other Depository Receipts or otherwise in the course of domestic and / or international offerings representing either equity shares or a combination of the foregoing (hereinafter referred to as the “Securities”) to all eligible investors including but not limited to Residents and / or Non-residents, whether Institutions, Incorporated Bodies, Foreign Institutional Investors, Qualified Institutional Buyers as defined in Regulation 2(1)(zd) of SEBI (ICDR) Regulations, Banks, Mutual Funds, Insurance Companies, Pension Funds, Trusts, Stabilizing Agents and / or otherwise and/or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through Public Issue(s) and/or Private Placement(s) and /or Rights Issue and/or Qualified Institutional Placement (QIP) in terms of Chapter VIII of SEBI (ICDR) Regulations and / or any other permitted modes through a prospectus and/or an offer document and/or such other documents/writings/ circulars / memoranda in such manner for an amount not exceeding Rs. 500 crores (Rupees Five Hundred Crores only), inclusive of permissible green shoe option, for cash and at such premium, as the Board deems fit at such price or prices at a discount or premium to the market price or prices in such manner, in one or more tranche or tranches, and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors. The Securities issued shall rank pari passu inter se.

In the event of the issue of Securities as aforesaid by way of Qualified Institutional Placements in terms of Chapter VIII of SEBI (ICDR) Regulations, it will be ensured that:

- a) The relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, and/or other applicable regulations, be the date of the meeting in which the Board or duly authorised Committee thereof decides to open the proposed issue of the Securities, subsequent to the receipt of Members’ approval in terms of Section 62(1)(c) and other applicable provisions and rules, if any, of the Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of Securities;
- b) The pricing shall be determined in compliance with principles and provisions set out in the Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time. The Board may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Securities shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Securities shall be fully paid up on its allotment, which shall be completed within 12 months of the date of passing this Resolution;
- d) The total amount raised in such manner, including the over allotment option as per the terms of the issue of securities, would not exceed 5 times of the Company’s net worth as per the audited balance sheet of the previous financial year;

- e) The Securities shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized Stock Exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.

For making any further issue of shares to any person(s) other than existing Equity Shareholders of the Company as also under the provisions of SEBI (ICDR) Regulations, approval of members is required to be obtained by way of passing a Special Resolution, in pursuance to Section 62(1)(c) of the Companies Act, 2013.

Therefore the Board recommends the Special Resolution contained in Item No. 4 to be passed by the members so as to enable it to issue further Securities.

This Special Resolution is only an enabling one, seeking authority for the Board to raise funds from time to time as may be required.

The Directors and Key Managerial Personnel of the Company including their relatives may be deemed to be concerned or interested in the Resolution at Item No. 4 to the extent of the Securities that may be offered to them or to the companies/institutions of which they are Directors or members.

Registered Office :

“Magma House”,
24 Park Street,
Kolkata-700 016
West Bengal

8th May, 2014

By order of the Board of Directors
For **Magma Fincorp Limited**

Sd/-
Girish Bhatia
Company Secretary



MAGMA FINCORP LIMITED

Registered Office: “Magma House”, 24, Park Street, Kolkata – 700 016

Phone: 033-4401 7200/350 • Fax: 033-4402 7731

CIN: L51504WB1978PLC031813 • Website: www.magma.co.in

POSTAL BALLOT FORM

Pursuant to Section 110 of the Companies Act, 2013

Postal Ballot No.:

1. Name and Registered address of
Sole / first named member :
2. Name(s) of Joint Holders, if any :
3. Ledger Folio / DP ID & Client ID No. :
4. Number of Shares held :
5. I/We exercise my/our votes in respect of the following Resolutions to be passed through Postal Ballot in respect of the business stated in the Postal Ballot Notice dated Thursday, 8th May, 2014 by sending my/our assent or dissent to the following resolutions by placing (✓) mark in the appropriate box below:

Item No.	Brief particulars of the resolution proposed	Type of Resolution	No. of Shares	Please (✓) in the appropriate box below	
				I/We assent to the resolution ('FOR')	I/We dissent to the resolution ('AGAINST')
1	Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 upto Rs. 25000 Crores.	Special			
2	Creation of Charges on the movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013, both present and future, in respect of borrowings	Special			

Item No.	Brief particulars of the resolution proposed	Type of Resolution	No. of Shares	Please (√) in the appropriate box below	
				I/We assent to the resolution ('FOR')	I/We dissent to the resolution ('AGAINST')
3	Issuance of debt securities pursuant to Sections 42, 71 and 180(1)(c) of the Companies Act, 2013 upto an overall ceiling of Rs. 2200 crores on Private Placement Basis	Special			
4	Authorization for raising finance through issue of Securities pursuant to Section 62(1)(c) of the Companies Act, 2013	Special			

Place:

Date:

Signature of the Member or the Authorised Representative
(as per instructions overleaf)

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User ID	Password/PIN

Note: Please read the notes/instructions printed on the Postal Ballot Notice/Form carefully before exercising your vote.

INSTRUCTIONS

Member(s) can opt for only one mode of voting i.e. either by Physical Ballot or e-voting. In case, if you are opting for e-voting, then do not vote by Physical Ballot and vice versa. However, in case member(s) cast their vote both by Physical Ballot and e-voting, then e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL VOTING

1. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed self addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent other than by regular post at the expenses of the registered member will also be accepted.
2. The self-addressed postage pre-paid envelope bears the address of the Scrutinizer appointed by the Committee of the Board of the Directors of the Company which has been authorized in this regard.

3. This Form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his absence, by the next named Member.
4. Unsigned, incomplete, incorrect Forms will be rejected.
5. Members may not use all their votes and may not cast all their votes in the same way.
6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours on Friday, 13th June, 2014. All Postal Ballot Forms received after this date will be treated as if reply from such Member has not been received.
7. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at item no. 6 above.
8. In case the Form is signed by an Authorized representative of a Body Corporate, Trust, Societies or any other entity, a certified true copy of the Board Resolution or a specific authorization of such other entity as the case may be, giving requisite authority to the person voting on the Postal Ballot Form should accompany the Postal Ballot Form.
9. In case the Form is signed for or on behalf of the Government, the nomination of the concerned government in favour of such signatory should be enclosed with the Form.
10. The consent must be accorded by recording the assent in the Column 'FOR' and dissent in the Column 'AGAINST' by placing a tick mark (✓) in the appropriate column.
11. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members on the cut-off date i.e. Friday, 2nd May, 2014.
12. There shall be one postal ballot for every Folio/DP ID & Client ID irrespective of the number of joint holders and proxy shall not be exercised for Postal Ballot.
13. Members are requested not to send any other paper alongwith the Form in the enclosed self-addressed envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
14. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
15. The results of the Postal Ballot will be declared at the Registered Office of the Company and the same will also be placed on the Company's website, i.e., www.magma.co.in. The results will thereafter be published in newspaper(s), for the information of members.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E-VOTING

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means and the

business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:–

- i) Open email and open PDF file viz; “Magma e-Voting.pdf” with your Client id (in case shares are held in demat mode) and Folio No. (in case you are holding shares in physical mode) as default password. The said PDF file contains your “User Id” and “Password/PIN” for e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
- iii) Click on Shareholder - Login
- iv) Put User ID and password as initial password/PIN noted in step (i) above. Click Login.
- v) On the first login, you need to change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. In case you have earlier logged in at www.evoting.nsdl.com for exercising your votes in respect of postal ballot of any other company and have already changed your password, please use the changed password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- vii) Select “EVEN” of Magma Fincorp Limited.
- viii) Now you are ready for e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x) Upon confirmation, the message “Vote cast successfully” will be displayed
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to aklabhcs@gmail.com or bhatia.g@magma.co.in with a copy marked to evoting@nsdl.co.in.

B) In case a Member receives physical copy of the Postal Ballot Notice [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided at the bottom of Postal Ballot form overleaf.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

II. The Postal Ballot Notice shall be available on the website of the Company i.e. www.magma.co.in.

- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "Downloads" section of www.evoting.nsdl.com.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Thursday, 15th May, 2014 (10:00 a.m.) and ends on Friday, 13th June, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 2nd May, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Registered Office :

"Magma House",
24 Park Street,
Kolkata-700 016
West Bengal

8th May, 2014

For Magma Fincorp Limited

**Sd/-
Girish Bhatia
Company Secretary**