



Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
Tel : 91 33 4401 7350 / 7200
Fax : 91 33 4401 7313
CIN : L51504WB1978PLC031813
Web : www.magma.co.in



August 23, 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 23rd August, 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. Approval of Magma Restricted Stock Option Plan 2014;
- b. Revision in the Remuneration of Mr. Sanjay Chamria, Vice Chairman and Managing Director of the Company;
- c. Appointment of Mr. Neil Graeme Brown as an Independent Non- Executive Director of the Company;
- d. Appointment of Mr. Narayan K. Seshadri as an Independent Non- Executive Director of the Company;
- e. Appointment of Mr. Nabankur Gupta as an Independent Non- Executive Director of the Company;
- f. Appointment of Mr. Satya Brata Ganguly as an Independent Non- Executive Director of the Company; and





Magma Fincorp Limited
Regd. Office
Magma House
24 Park Street, Kolkata 700 016
Tel : 91 33 4401 7350 / 7200
Fax : 91 33 4401 7313
CIN : L51504WB1978PLC031813
Web : www.magma.co.in



- g. Change in terms of appointment of Mr. Sanjay Nayar from non-rotational to rotational director.

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

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 Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) the following special business be transacted by the Members of Magma Fincorp Limited by passing the Resolutions through Postal Ballot including electronic means (e-voting).

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 Management Committee of the Board of Directors of the Company has appointed M/s. A. K. Labh & Co., Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot process. The Scrutinizer will submit their 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 Thursday, 25th September, 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 be communicated to all the Stock Exchanges where the equity shares of the Company are listed and also be published in the newspaper(s).

SPECIAL BUSINESS:

1. Approval of Magma Restricted Stock Option Plan 2014

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

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board, hereinafter referred to as 'the Committee' thereof) for the adoption of the 'Magma Restricted Stock Option Plan 2014' ("MRSO Plan 2014") ("the Plan"), the salient features of which are furnished in the Explanatory Statement to the Notice, by the creation and issue of 50,00,000 (Fifty Lac only) Restricted Stock Options, each of which would upon exercise be converted into one Equity Share of Rs. 2/- each of the Company (the "Equity Shares").

RESOLVED FURTHER THAT in accordance with Section 62 of the Companies Act, 2013 ("the Act") and rules framed thereunder (including Rule 12 of Companies (Share Capital and Debenture) Rules, 2014) and all other applicable provisions of the Act, the provisions of the Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (hereinafter "SEBI Guidelines"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009, as amended from time to time (hereinafter "SEBI ICDR") (including any statutory modification(s) or re-enactment of the Act, SEBI Guidelines or SEBI ICDR, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include the Nomination and Remuneration Committee of the Board, hereinafter referred to as 'the Committee') to exercise its powers, including the powers, conferred by this resolution, to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in employment of the Company or its subsidiary(ies), and satisfy the definition of 'employee' under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 or any such group of employee(s), above a particular level, as per internal ranking procedure of the Company or its subsidiary(ies), as the Board and/or the Committee may determine in its sole and absolute discretion, including employee directors of the Company or its subsidiary(ies), viz., whole-time directors etc., (hereinafter "employees/employee directors") 50,00,000 (Fifty Lac only) Equity Shares of Rs. 2/- each, upon exercise of the Restricted Stock Options at such price, in one or more tranches, each tranche consisting of one or more installments, on such terms and conditions, upon achievement of such vesting criteria, as may be fixed or determined by the Committee in its sole and exclusive discretion.

RESOLVED FURTHER THAT the Plan be administered by the Committee, which be hereby empowered to determine in its absolute discretion the terms governing the Plan including any variation thereof in accordance with SEBI Guidelines including but not limited to determination of number of awards, quantum, time of grant, vesting criteria, vesting schedule, eligibility, exercise price, framing other relevant and appropriate procedure for grant, vesting etc. of the awards, etc., subject however to the overall superintendence and control of the Board.

RESOLVED FURTHER THAT the said Equity Shares may be allotted to such employees/employee directors, upon exercise of the Restricted Stock Options in accordance with the Plan, SEBI Guidelines and SEBI ICDR.

RESOLVED FURTHER THAT the issue and allotment of Equity Shares upon exercise of the Restricted Stock Options after achievement of the requisite vesting criteria as may be determined by the Committee from time to time, at their sole and exclusive discretion, to any non-resident employee(s), non-resident employee director(s) shall be subject to such approvals, permissions or consents as may be necessary in this regard.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company under the Plan upon exercise of the Restricted Stock Options shall rank *pari-passu* in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI Guidelines as well as the Accounting Standards.

RESOLVED FURTHER THAT the Board (which includes any Committee of the Board) be and is hereby authorized to take necessary steps for in principle and final listing of the Equity Shares to be allotted upon exercise of the Restricted Stock Options, on the Stock Exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement with the concerned Stock Exchange, SEBI Guidelines, SEBI ICDR and other applicable legislations.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Equity Shares allotted upon exercise of the Restricted Stock Options under the Plan, the Board (which includes any Committee of the Board) be and is hereby authorised on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revisions in the said Plan or to suspend, withdraw or revive the Plan from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

2. Revision in the remuneration of Mr. Sanjay Chamria, Vice Chairman and Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('the **Act**') and the Rules framed thereunder (including any amendments thereto from time to time), the applicable provisions of the Articles of Association of the Company, recommendations of the Nomination and the Remuneration Committee of the Company and such other consents and approvals that may be required, consent of the Company be and is hereby accorded for the revision in the remuneration payable to Mr. Sanjay Chamria, Vice Chairman and Managing Director of the Company, on the terms and conditions set out below:

- A. Basic Salary:** Rs. 5,00,000/- per month with an annual increment to be decided by the Board of Directors on merit at its absolute discretion, which shall however be only so done so as not to exceed the maximum permissible limits of Managerial Remuneration under the Act, payable without the approval of the Central Government.
- B. Commission:** Not exceeding 1% of the net profits of the Company, payable annually, calculated in the manner laid down in section 198 of the Companies Act, 2013 (corresponding to section 309(5) of the Companies Act, 1956), after the approval of Annual Accounts at the Annual General Meeting of the Company, as may be approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.
- C. Long Term Performance Bonus:** Long Term Bonus will be paid annually, which shall not exceed 2% of the net profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013, after the approval of Annual Accounts at the Annual General Meeting of the Company on fulfillment of performance criteria laid down under the Bonus Policy and the agreements executed by the Company with Mr. Chamria, subject to the aggregate remuneration payable will not exceed the limits prescribed under Section 197 read with Schedule V to the Act.
- D. Perquisites / Benefits:** In addition to the above salary, Mr. Chamria shall also be entitled to the following perquisites / benefits:
 - 1. Housing Rent Allowance @40% of Basic Salary – Rs. 2,00,000/- per month
 - 2. Special Allowance- Rs. 4,23,045/- per month
 - 3. Medical Reimbursement: Expenses incurred for himself and his family in accordance with the Rules of the Company.
 - 4. Leave Travel Concession: Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave/ holiday travel period, whenever undertaken, once in a year, incurred in accordance with the Rules of the Company. In case Mr. Chamria does not go on leave travel, the Company shall pay him the entire eligible amount by way of Leave Travel Allowance.
 - 5. Club Membership: Reimbursement of membership fee including admission and annual membership fee for one club in India.
 - 6. Provident Fund: Contribution to Provident Fund not exceeding 12% of salary or such percentage limit as may be prescribed by Income Tax legislation.
 - 7. Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
 - 8. Provision for use of telephones at residence (including payment for local calls and long distance calls) and Company's car shall not be included in the computation of perquisites

Minimum Remuneration: In the absence or inadequacy of profits in any financial year of the Company during the tenure he shall be entitled to remuneration by way of salary along with perquisites, benefits and other allowances as mentioned above not exceeding such sum as may be prescribed under Section 197 read with Part II, Section II of Schedule V of the Act.

Mr. Chamria will not be entitled to any sitting fee for attending Meetings of the Board or any Committee thereof."

3. Appointment of Mr. Neil Graeme Brown as an Independent Non- Executive Director of the Company

To consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions 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) read with Clause 49 of the Listing Agreement as may be in force, Mr. Neil Graeme Brown (holding DIN 01313315), an existing Director of the Company, be and is hereby appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation with effect from 25th September, 2014 for a term of five consecutive years."

4. Appointment of Mr. Narayan K Seshadri as an Independent Non- Executive Director of the Company

To consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions 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) read with Clause 49 of the Listing Agreement as may be in force, Mr. Narayan K Seshadri (holding DIN 00053563), an existing Director of the Company, be and is hereby appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation with effect from 25th September, 2014 for a term of five consecutive years."

5. Appointment of Mr. Nabankur Gupta as an Independent Non- Executive Director of the Company

To consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions 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) read with Clause 49 of the Listing Agreement as may be in force, Mr. Nabankur Gupta (holding DIN 00020125), an existing Director of the Company, be and is hereby appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation with effect from 25th September, 2014 for a term of five consecutive years."

6. Appointment of Mr. Satya Brata Ganguly as an Independent Non- Executive Director of the Company

To consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions 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) read with Clause 49 of the Listing Agreement as may be in force, Mr. Satya Brata Ganguly (holding DIN 00012220), an existing Director of the Company, be and is hereby appointed as an Independent Non-Executive Director of the Company not liable to retire by rotation with effect from 25th September, 2014 for a term of five consecutive years."

7. Change in terms of appointment of Mr. Sanjay Nayar from non-rotational to rotational director

To consider and if thought fit, to pass the following resolution as an "Ordinary Resolution":

"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions 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) the terms of appointment of Mr. Sanjay Nayar (holding DIN 00002615), Director of the Company, be changed from non-rotational to rotational and consequently his office as director shall now be liable to retirement by rotation."

Registered Office :

"Magma House",
24, Park Street,
Kolkata-700 016
West Bengal
23rd August, 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 and Rules made thereunder 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 Thursday, 14th August, 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 Thursday, 25th September, 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 be communicated to all the Stock Exchanges where the equity shares of the Company are listed and also be published in the newspaper(s).
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 Tuesday, 23rd September, 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. Tuesday, 23rd September, 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 23rd August, 2014 to 23rd September, 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 Limited, Magma House, 24, Park Street, Kolkata – 700016.

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

ITEM NO. 1

In addition to the existing Magma Employee Stock Option Scheme 2007 approved by the shareholders of the Company at their Extra-ordinary General meeting on 5th June 2007, with a view to:-

- a) attract, retain and motivate talented and critical employees of the Company or its subsidiary(ies);
- b) encourage eligible employees to align individual performance with Company objective;
- c) reward their performance with ownership in the Company; and
- d) encourage them to create shareholder value,

it is proposed to formulate and implement an Employee Stock Option Plan in the Company titled 'Magma Restricted Stock Option Plan 2014' ("MRSO Plan 2014") by the creation and issue of 50,00,000 (Fifty Lac only) Restricted Stock Options each of which would upon exercise be converted into one Equity Share of Rs. 2/- each of the Company (the "Equity Shares").

The Nomination and Remuneration Committee ("the Committee") of the Company's Board will administer the Plan, subject to the Board's overall superintendence and control.

The Company's Board has appointed VC Corporate Advisors Pvt Ltd, SEBI registered Merchant Bankers, based in Kolkata as Merchant Bankers to oversee the implementation of the Plan and ensure compliance in accordance with the requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended up to date (hereinafter "the Guidelines") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009 as amended from time to time.

In accordance with the requirements of the Guidelines, the information pertaining to the Plan is furnished below:

Item	Particulars
Total No. of Stock Options to be granted	50,00,000 (Fifty Lac only)
Equivalent Equity Shares to be granted	50,00,000 (Fifty Lac only)
Identification of classes of employees entitled to participate in the Plan	Such person(s) who are in employment of the Company or its subsidiary(ies), and satisfy the definition of 'employee' under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 or any such group of employee(s), above a particular level, as per internal ranking procedure of the Company or its subsidiary(ies), as the Board and/or the Committee may determine in its sole and absolute discretion, including employee directors of the Company or

Item	Particulars
	its subsidiary(ies), viz., whole-time directors etc. (hereinafter "employees/employee directors").
Requirements of vesting and period of Vesting of the Restricted Stock Options may commence after the vesting and maximum period	Vesting of the Restricted Stock Options may commence after the expiry of a minimum period of 12 months from the date on which the options were granted, and may extend up to such time as may be decided at the discretion of the Committee from the date of grant. The vesting may occur in tranches, and each tranche may include such instalments, and shall be subject to such terms and conditions of vesting, as may be stipulated by the Committee, in its discretion.
Exercise Price or pricing formula	The Exercise Price of the Stock Options shall be either the face value of equity shares of the Company, for the time being in force, or any higher value, as determined by the Committee, in its discretion.
Exercise Period and Process of Exercise	Exercise Period shall be the time period after vesting within which the employees/employee directors should exercise his right to apply for the Equity Shares against the Restricted Stock Options vested in them pursuant to the Plan. The Exercise Period shall be decided by the Committee and will not be more than 3 (Three) years. The Stock Options will be exercisable by the Employees/ Employee Directors by a written or electronic notice to the Company and payment of exercise price to exercise the Restricted Stock Options, in such manner, as may be prescribed by the Committee, in its discretion.
Method of valuing the Stock Options	Fair Value
Appraisal process for determining the eligibility of the employees to the Plan	The Committee shall, based upon the performance and/or merit of the employees/employee directors, as per vesting criteria laid down by the Committee from time to time, in its sole and exclusive discretion, considering the period of service/directorship put in/served by them, their designation and grade, their present and potential contribution to the success of the Company, its subsidiaries and other appropriate criteria, determine the eligibility of the Employees/Employee Directors to the Plan.
Maximum number of Stock Options to be issued per employee and in aggregate	The Committee may from time to time grant Restricted Stock Options to one or more employees/employee directors, subject to maximum number of Restricted Stock Options granted to employees/employee directors shall not exceed 1% of the paid up equity share capital of the Company during the tenure of the MRSO Plan 2014. The aggregate number of Restricted Stock Options that may be granted under the Plan shall not exceed 50,00,000 (Fifty Lac only)

The Company shall conform to the accounting policies prescribed from time to time under the SEBI Guidelines as well as under the Accounting Standards.

The Company will be valuing the options at fair value as per the SEBI Guidelines. However, in case in future the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and the EPS of the Company shall also be disclosed in the Directors' Report.

A copy of the said Plan is available for inspection by shareholders at the Company's Registered Office between 11.00 a.m. and 5.00 p.m. on all working days.

The Board of Directors recommends the aforesaid resolutions for your approval as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the said Resolution, except to the extent of any Restricted Stock Options that may be granted to such Employee Directors and/or such Key Managerial Personnel.

ITEM NO. 2

Mr. Sanjay Chamria was reappointed as the Vice-Chairman and Managing Director of the Company for a period of 5 (five) years with effect from 1st April, 2011 by the Board of Directors of the Company ("Board") at its meeting dated 14th January, 2011 and the same was approved by the Shareholders at the 31st Annual General Meeting held on 21st June, 2011. The said remuneration was further revised vide the approval of the shareholders at the 32nd Annual General Meeting held on 12th July, 2012.

In accordance with the provisions of Section 178 of the Act, and in order to retain and reward talent and align the interests of the certain employees with those of the Company as well as to recognize the dedicated efforts and contributions to the Company's growth and profitability, the Company on the basis of criteria laid down by the Nomination and Remuneration Committee has formulated a bonus policy for the employees in the rank of Managing Director and above.

The Company proposes to bring in close correlation between creation of shareholder value and wealth and the remuneration of the Vice Chairman and Managing Director. It is therefore proposed to revise the remuneration payable to Mr. Chamria based on bonus policy adopted by the Company. It is further proposed that the perquisites allowed to Mr. Chamria be also revised to make it commensurate with the efforts being put in by him. The Nomination and Remuneration Committee and Board of Directors of the Company have approved revision to remuneration of the Managing Director on the terms and conditions stated in the bonus agreement and has further approved revision in perquisites payable to Mr. Chamria in addition to salary.

A copy of the said agreement shall be made available for inspection at the registered office of the Company between 11.00 a.m. and 5.00 p.m. on all working days.

The Board recommends the passing of the said resolution in the interest of the Company and proposes to seek members approval for the revision in the remuneration payable to Mr. Chamria.

Except Mr. Sanjay Chamria and his related parties, none of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this Resolution.

ITEM NO. 3 to 6

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Messers Neil Graeme Brown, Narayan K Seshadri, Nabankur Gupta and Satya Brata Ganguly as Non-Executive Independent Directors of the Company on various dates, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 ("Act") and the Ministry of Corporate Affairs General Circular No. 14/2014 dated 9th June 2014, the appointment of Independent Directors is now required to be made expressly under the provisions of the aforesaid section and rules thereunder.

The Nomination and Remuneration Committee has recommended the appointment of Messers Neil Graeme Brown, Narayan K Seshadri, Nabankur Gupta and Satya Brata Ganguly as Independent Non-Executive Directors of the Company.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member signifying his intention to propose these directors for the office of Independent Director.

The proposed Independent Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and have given respective consents to act as a Director of the Company.

Messers Neil Graeme Brown, Narayan K Seshadri, Nabankur Gupta and Satya Brata Ganguly have respectively given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. Based on the above declarations, in the opinion of the Board, each of these directors fulfill the conditions as specified in the Act and Clause 49 of the Listing Agreement for appointment as Independent Director of the Company and are independent of the management.

A brief profile of Messers Neil Graeme Brown, Narayan K Seshadri, Nabankur Gupta and Satya Brata Ganguly are given below:

Mr. Narayan K Seshadri is a Fellow Chartered Accountant. He specializes in Corporate Strategy, Organisational Transformation, Financial Restructuring and Risk Management. He held leadership positions in Andersen and KPMG before establishing his Business Value Management, Investment Advisory and Private Equity Business

Mr. Nabankur Gupta holds a degree of B.Tech and is also a AMP. He has rich experience in the field of Marketing, Business Development and General Management. He is the founder of Nobby Brand Architects & Strategic Marketing Consultants. He is also the cofounder of Blue Ocean Capital & Advisory Services.

Mr. Satya Brata Ganguly is a Chemical Engineer. He is on the Boards of various reputed Indian corporate and public bodies as an Independent Director. He was the Chairman and CEO of Exide Industries Limited. He was also awarded the title of chairman Emeritus of Exide Industries.

Mr. Neil Graeme Brown is a Chartered Accountant from ICAEW and MA. He is an expert in US and European mergers and acquisitions and international private equity markets. He is also the co-founder of Subito Partners, a UK-based advisory and investment business.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of them as an Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of Messers Neil Graeme Brown, Narayan K Seshadri, Nabankur Gupta and Satya Brata Ganguly as Independent Directors, for the approval by the shareholders of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Non-Executive Directors of the Company for a term of five consecutive years, commencing from 25th September, 2014 is being placed before the Members for their approval.

The Company shall formalize the appointment of aforesaid directors as Independent Directors, if appointed from 25th September, 2014, setting out terms and condition as stipulated in Schedule IV of the Act. Such letter of appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays and Sundays.

Messrs Neil Graeme Brown, Narayan K Seshadri, Nabankur Gupta and Satya Brata Ganguly, respectively, are concerned or interested in the resolutions of the accompanying notice relating to their own appointment. None of the other Directors and Key Managerial Personnel of your Company or their relatives are, in any way, concerned or interested in the said Resolutions.

A statement as required under Clause 49 of the Listing Agreement containing other details of the Independent Directors whose appointment is proposed at Item Nos. 3 to 6 of the accompanying notice has been annexed below.

ITEM NO. 7

The shareholders of the Company at the Annual General Meeting of the Company held on 12th July 2012 had appointed Mr. Sanjay Nayar, as a Director of the Company, whose office was not liable to retire by rotation.

The provisions of Section 152 (6) of the Act, requires two-third of the total number of directors to be rotational, excluding independent directors. To comply with the provisions of Section 152 of the Act, it is proposed to change the nature of appointment of Mr. Sanjay Nayar from non-rotational to rotational.

Except for Mr. Sanjay Nayar, none of the other directors and / or key managerial personnel, or their relatives, are concerned or interested in the resolution in any manner.

The Board recommends the aforesaid resolution for the approval by the shareholders of the Company.

Annexure

STATEMENT CONTAINING DETAILS OF THE CONCERNED DIRECTORS

As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance, a statement containing details of the concerned Directors is given below:

Name	Mr. Narayan K Seshadri	Mr. Nabankur Gupta	Mr. Satya Brata Ganguly	Mr. Neil Graeme Brown
Date of birth	13 th April, 1957	15 th October, 1948	23 rd October, 1942	16 th January, 1959
Date of appointment	31 st October, 2006	22 nd October, 2008	16 th July, 2010	4 th August, 2006
Qualification	FCA	B.Tech, AMP	<ul style="list-style-type: none"> Chemical Engineer Fellow of Plastics & Rubber (London) Fellow of Institute of Chemical Engineers Fellow of the Institute of Chemicals 	ICAEW, MA
Expertise in specific functional area	He has over 34 years experience and specialises in Corporate Strategy, Organisational Transformation, Financial Restructuring and Risk Management.	He has rich experience of over 38 years' in the field of Marketing, Business Development and General Management.	He has over 48 years experience in Corporate life, at the senior most positions.	An expert in US and European mergers and acquisitions and international private equity markets with over 32 years experience.
List of outside *Directorships held excluding Alternate Directorship.	<ul style="list-style-type: none"> PI Industries Limited Kalpataru Power Transmission Limited WABCO India Limited SBI Capital Markets Limited IRIS Business Services Limited AstraZeneca Pharma India Limited 	<ul style="list-style-type: none"> Raymond Limited Cravatex Limited J.K. Helene Curtis Limited Pritish Nandy Communications Limited PNC Wellness 	<ul style="list-style-type: none"> West Bengal Industrial Development Corporation Limited Paharpur Cooling Towers Limited Emami Limited Peerless Trust Management Company Limited Su-Kam Power Systems Limited 	<ul style="list-style-type: none"> Distribution Technology Limited Gate Group Holdings Islands Banki AVC Tyre Recycling Limited AVC Next Gen Limited

Name	Mr. Narayan K Seshadri	Mr. Nabankur Gupta	Mr. Satya Brata Ganguly	Mr. Neil Graeme Brown
	<ul style="list-style-type: none"> Sundaram Investments Limited 	<ul style="list-style-type: none"> Limited VIP Industries Limited Bharat Business Channel Limited 		<ul style="list-style-type: none"> LICQ Euro Limited
Membership/ Chairmanship of ** Committees of the Board of Directors of the Company	Chairman of the Audit Committee	None	<ul style="list-style-type: none"> Member of the Audit Committee Chairman of Shareholders'/ Investors' Grievances Committee. 	Member of the Audit Committee
Chairman/Member of the **Committee of the Board of Directors of other Companies in which he/she is a Director	<p>Chairman of the Audit Committee of:</p> <p>1. WABCO India Limited</p> <p>Member of the Audit Committee of:</p> <p>1. PI Industries Limited</p> <p>2. Kalpataru Power Transmission Ltd</p> <p>3. SBI Capital Markets Limited</p> <p>4. IRIS Business Services Limited</p> <p>5. International Asset Reconstruction Company Private Limited</p> <p>Chairman of the Shareholders'/Investors' Grievance Redressal Committee of :</p> <p>1. WABCO India Limited</p>	<p>Member of the Audit Committee of:</p> <p>1. Prithvi Nandy Communications Limited</p> <p>2. Raymond Limited</p> <p>3. Cravatex Limited</p> <p>4. Quantum Advisors Private Limited</p> <p>Chairman of the Shareholders'/Investors' Grievance Redressal Committee of:</p> <p>1. Raymond Limited</p>	<p>Chairman of the Audit Committee of:</p> <p>1. Emami Limited</p> <p>Member of Audit Committee of:</p> <p>1. West Bengal Industrial Development Corporation Limited</p> <p>2. Paharpur Cooling Towers Limited</p> <p>3. Peerless Trust Management Company Limited</p> <p>4. Su-Kam Power Systems Limited</p> <p>Member of the Shareholders'/Investors' Grievance Redressal Committee of:</p> <p>1. Emami Limited</p>	<p>Chairman of the Audit Committee of:</p> <p>1. Gate Group AG</p> <p>2. Islands Banki</p>
Number of shares held in the Company	Nil	5,000	Nil	Nil

**Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 (corresponding to Section 25 of the Companies Act, 1956)*

*** Includes only Audit Committee and Shareholders'/Investors' Grievance Redressal Committee.*

Registered Office :

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

23rd August, 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 Saturday, 23rd August, 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	Approval of Magma Restricted Stock Option Plan 2014	Special			
2	Revision in the Remuneration of Mr. Sanjay Chamria, Vice Chairman and Managing Director of the Company	Special			
3	Appointment of Mr. Neil Graeme Brown as an Independent Non- Executive Director of the Company	Ordinary			
4	Appointment of Mr. Narayan K Seshadri as an Independent Non- Executive Director of the Company	Ordinary			

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')
5	Appointment of Mr. Nabankur Gupta as an Independent Non-Executive Director of the Company	Ordinary			
6	Appointment of Mr. Satya Brata Ganguly as an Independent Non- Executive Director of the Company	Ordinary			
7	Change in terms of appointment of Mr. Sanjay Nayar from non-rotational to rotational director	Ordinary			

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 Tuesday, 23rd September, 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. Thursday, 14th August, 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 result of the postal ballot shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed and also be published in the newspaper(s).

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 hatia.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 Monday, 25th August, 2014 (10:00 a.m.) and ends on Tuesday, 23rd September 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 Thursday, 14th August, 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

23rd August, 2014

For **Magma Fincorp Limited**

Sd/-
Girish Bhatia
Company Secretary