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

MAGMA
Investing in the smallest dream

29 February 2016

The Secretary,
Corporate Relationship Department
BSE Limited **(Company Code - 524000)**
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001

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

Dear Sir,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Notice dated 25 February 2016 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 in respect of the following matter:

a. Issuance of debt securities pursuant to Sections 42, 71 and 180(1)(c) of the Companies Act, 2013, upto an overall ceiling of Rs. 1800 crores on Private Placement basis;

b. Approval of extending benefits of Magma Restricted Stock Option Plan 2014 to the employees of subsidiary(ies) of the Company;

c. Commission for Non Executive Independent Directors.

This is for your information and record.

Thanking You,
For **Magma Fincorp Limited**

Shabnum Zaman
Company Secretary
ACS No. 13918
Address:
80B, Dr. Sudhir Bose Road,
Kolkata – 700 023

Encl: As above

MAGMA

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; Email:shabnum.zaman@magma.co.in

NOTICE OF POSTAL BALLOT

NOTICE is hereby given that pursuant to Sections 108 and 110 of the Companies Act, 2013, (Act) read with Companies (Management and Administration) Rules, 2014 and Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modifications or re-enactments thereof for the time being in force) and relevant provisions of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "LODR 2015"), the resolutions appended below are proposed to be passed as a Special/Ordinary resolution by way of Postal Ballot/ through electronic means.

The statement in terms of the provisions of Section 102(1) of the Act pertaining to the aforesaid resolutions setting out the material facts and reasons thereof is annexed herewith and is being sent to you along with a Postal Ballot Form for your consideration.

Voting through electronic means

We are pleased to offer the facility to vote through electronic means in addition to voting by post. Voting through electronic means is optional. Please carefully read and follow the instructions on voting through electronic means printed in this Postal Ballot Notice. References to Postal Ballot(s) below include votes received electronically.

The Management Committee of the Board pursuant to the authorisation by the Board of Directors of the Company has appointed Mr. Mohan Ram Goenka, Company Secretaries in Practice (CP No. 2551), Partner, MR & Associates, Kolkata as the Scrutinizer for conducting the Postal Ballot and E-voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman or any other Director of the Company, upon completion of scrutiny of votes cast by post and votes cast through electronic means and the result of the postal ballot will be declared at 5 P.M. on Thursday, 31 March 2016 at the Registered Office of the Company at Magma House, 24, Park Street, Kolkata-700 016.The result of the postal ballot, along with the Scrutinizer's Report will be posted on the Company's website www.magma.co.in at its weblink i.e. https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/ and shall also be displayed on the Notice Board of the Company at its Registered Office. The result of the postal ballot shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed, National Securities Depository Limited (NSDL) and also be published in news paper(s).

SPECIAL BUSINESS:

ITEM NO. 1

Issuance of debt securities pursuant to Sections 42, 71 and 180 (1)(c) of the Companies Act, 2013, upto an overall ceiling of Rs. 1800 crores on Private Placement basis

To consider and, if thought fit, to pass with or without modification(s), 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, in accordance with the Company's Policy for Resource Planning, relevant RBI Regulations and such other applicable laws (including any amendment(s), statutory modification(s) or re-enactment thereof), consent of the shareholders of the Company be and is hereby accorded for the issue and allotment 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 2016-17 shall not exceed, excluding any Debt Securities already issued earlier or any re-issuance thereof, the limit of Rs.1800 crores (Rupees Eighteen Hundred Crore only) to Banks, Pension Funds, Mutual Funds and other entities/individuals including but not limited to Multilateral Development Organization, Institutional Investors, Financial Institutions, Companies etc. as per the terms and conditions as stated in the explanatory statements.

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 and allotted from time to time within the aggregate limit above, including, but not limited to, decide on 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/individuals including but not limited to Multilateral Development Organization, Institutional Investors, Financial Institutions, Companies etc.

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."

ITEM NO. 2

Approval of extending benefits of Magma Restricted Stock Option Plan 2014 to the employees of subsidiary(ies) of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED 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 (Share Based Employee Benefits) Regulations, 2014 (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), and in continuation and partial modification of the Special Resolution No.1 passed by the members and shareholders by means of a postal ballot on 25 September 2014, pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as then applicable, consent of the members of the Company 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 extend the benefits of Magma Restricted Stock Option Plan 2014 ("MRSO Plan 2014") ("the Plan") to the such person(s) who are in the employment of the subsidiary(ies) of the Company and satisfy the eligibility criteria as specified in the Plan as well as the persons who fulfill the criteria laid down under 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 subsidiary(ies), as the Board and/or the Committee may determine in its sole and absolute discretion, including employee directors of the subsidiary(ies), viz., whole-time directors etc., (hereinafter "employees/employee directors") on such terms and conditions, upon achievement of such vesting criteria, as may be fixed or determined by the

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For MAGMA FINCORP LIMITED

Company Secretary

Committee in its sole and exclusive discretion with effect from 25 September 2014 i.e. the date when the shareholders approved the Plan by passing a special resolution through postal ballot.

RESOLVED FURTHER THAT any act done by the Company in pursuance of the Special Resolution No.1 as passed by the shareholders of the Company on 25 September 2014 through postal ballot including granting of any Restricted Stock Options under the Plan to the employees of the subsidiary(ies) be and is hereby ratified.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

ITEM NO. 3

Commission for Non Executive Independent Directors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 (9), 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof and any rules made thereunder, for the time being in force) and provisions of the Articles of Association of the Company, the Non Executive Independent Directors of the Company be paid, in addition to the sitting fees for attending the meetings of the Board or Committees thereof, a Commission of an amount not exceeding the maximum limit of 1% of the Net Profits of the Company per annum in aggregate as specified in Section 197(1) (ii) (A) of the Act, with effect from the financial year commencing from 1 April 2016.

RESOLVEO FURTHER THAT the quantum of commission payable to each of the Non Executive Independent Directors for each year may be decided by the Board as it may deem fit, based on the recommendation of Nomination and Remuneration Committee, provided that the same is within the overall limits specified under the relevant provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors (including the Nomination and Remuneration Committee) be and are hereby authorised to take such actions, deeds and things as may be considered necessary or desirable for giving effect to this resolution."

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

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

Sd/-
Shabnum Zaman
Company Secretary
ACS No.-13918

25 February 2016

NOTES

1. The 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 are annexed hereto.
2. The Management Committee of the Board pursuant to authorization in this regard by the Board of Directors of the Company has appointed Mr. Mohan Ram Goenka, Company Secretaries in Practice (CP No. 2551), Partner, MR & Associates, Kolkata, as the Scrutinizer for conducting the Postal Ballot/E-voting process in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on 12 February 2016. The voting rights of the Members shall be reckoned as on12 February 2016 which is the cut-off date and a person who is not a member as on the said date should treat this notice for information purposes only.
4. The business set out in the Notice may be transacted through electronic voting system. The Company is pleased to provide you the facility of voting through electronic means in terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and as per Regulation 44 of LODR 2015.
5. Members desirous of exercising vote through electronic means are requested to carefully follow the instructions given in this Postal Ballot Notice. The voting through electronic means will commence on Monday, 29 February 2016 at [9:00 A.M. IST] and will end on Tuesday, 29 March 2016 at [5:00 P.M. IST]. The members will not be able to cast their vote electronically beyond the date and time mentioned above.
6. Member(s) desirous of exercising vote by Postal Ballot Form is requested to carefully read the instructions printed on the Postal Ballot Form. The duly completed Postal Ballot Form is to be sent in the self-addressed Business Reply Envelope to the Scrutinizer not later than the close of working hours on Tuesday, 29 March 2016 at [5:00 P.M. IST]. 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. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent at the expense of the registered member will also be accepted.
7. No Member can vote both by post and e-voting and if he votes both by post and e-voting, his vote by post shall be treated as invalid
8. All the material documents referred, if any, to in the Statement will be made available for inspection by the Members, at the Registered Office of the Company, between 10.00 A.M. and 12:00 Noon on any working day from Monday, 29 February 2016 till Tuesday, 29 March 2016. Additionally, this notice shall also be placed on the website of the Company till the last date for receipt of the postal ballots from the members.
9. The Scrutinizer will submit their report to the Chairman or any other Director after completion of the scrutiny and the result of the postal ballot voting process will be declared at 5 P.M. on Thursday, 31 March 2016 at the Registered Office of the Company at Magma House, 24, Park Street, Kolkata-700 016. The result of the postal ballot, along with the Scrutinizer's Report will be posted on the Company's website www.magma.co.in at its weblink i.e. https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/and shall also be displayed on the Notice Board of the Company at its Registered Office. The result of the postal ballot shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed, NSDL and shall also be published in the newspaper(s).
10. The Scrutinizer's decision on the validity of a Postal Ballot form shall be final.
11. Any query in relation to the resolution proposed to be passed by Postal Ballot may be addressed to the Company Secretary, Magma Fincorp Limited, Magma House, 24, Park Street, Kolkata -700016 or at email : shabnum.zaman@magma.co.in or any query pertains to electronic voting may be addressed to Mr. Rajiv Ranjan, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013 or at email: rajivr@nsdl.co.in.
12. The Resolutions, if passed by requisite majority shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E-VOTING

1. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and as per Regulation 44 of LODR 2015, 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).

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MAGMA HOUSE
24, Park Street, Kolkata- 16

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 email to goenkamohan@hotmail.com or shabnum.zaman@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.

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

3. 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.

4. 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).

5. The e-voting period commences on **Monday, 29 February 2016 at [9:00 A.M. IST] and will end on Tuesday, 29 March, 2016 at [5:00 P.M. IST].** 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, 12 February 2016** 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.

6. The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit his Report to the Chairman of the Company.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

The Company had passed a Special Resolution in April, 2015 for issue of debt securities upto Rs. 2200 crores for the FY 2015-16. Your company needs to pass Special Resolution every year for issuance of debt securities pursuant to Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. Hence this is just an enabling resolution.

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 the financial plans for the financial year 2016-17, the Company may be required to issue during the financial year debt securities upto Rs. 1800 crores (Rupees Eighteen Hundred Crore Only) for general corporate purposes of the Company as per the terms and conditions as mentioned below. 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 and allotted in one or more tranches on private placement basis to Banks, Pension Funds, Mutual Funds and other entities/ individuals including but not limited to Multilateral Development Organization, Institutional Investors, Financial Institutions, Companies etc.

Sl No.	Particulars	Terms and Conditions
1	Type of securities proposed to be issued	Non Convertible Debt Securities, that is to say, Secured Debentures, Unsecured Debentures, Bonds, Subordinated Debt Securities, Covered Bonds, or other debt securities
2	Type of issuance	Private placement
3	Total issue size	Rs. 1800 Crores (Rupees Eighteen Hundred Crore Only)
4	To be offered to	Banks, Pension Funds, Mutual Funds and other entities/individuals including but not limited to Multilateral Development Organization, institutional investors, financial institutions, companies etc.
5	If Listed, name of Stock Exchange	BSE Ltd and/or National Stock Exchange of India Ltd or any other stock exchange as may be decided by the Board or any Committee thereof.
6	Tenure of the instrument	For Secured – Not exceeding 10 years For Subordinated – at least 5 years For Unsecured –Not exceeding 10 years and/or Perpetual
7	Coupon/interest offered, schedule of payment of coupon/interest and principal	As per the terms and conditions of Offer Document, as may be finalized by the Management Committee of the Board from time to time.
8	Special right/interest/privileges attached to the instrument and changes thereof	As per the terms and conditions of Offer Document, as may be finalized by the Management Committee of the Board from time to time.

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

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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.

The Board recommends the passing of the resolution as set out under Item No. 1 for approval of the members and shareholders as a special resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 2

The Shareholders of the Company had approved the Magma Restricted Stock Option Plan 2014 ("MRSO Plan 2014") ("the Plan") by passing a Special Resolution No. 1 through postal ballot on 25 September 2014. Under the said resolution 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') have been authorized 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) Equity Shares of Rs. 2/- each, upon exercise of the Restricted Stock Options at such price, in one or more tranches, 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.

The salient features of the Plan and the disclosures required under the SEBI Guidelines was given in the Explanatory Statement Item No. 1 annexed to the Postal Ballot Notice dated 23 August 2014 (results of which was declared on 25 September 2014) and the same is available at the website of the Company. For the convenience of the members to consider this item, the same is reproduced below:

Item	Particulars
Brief description of the scheme;	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) Restricted Stock Options each of which would upon exercise be converted into one Equity Share of Rs. 2/- each of the Company, approved by the shareholders through postal ballot on 25 September 2014
Total No. of Stock Options to be granted;	50,00,000 (Fifty Lac)
Equivalent Equity Shares to be granted;	50,00,000 (Fifty Lac)
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 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 within which the options shall be vested;	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.
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 an Employee/Employee Director 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)
Maximum quantum of benefits to be provided per employee under a scheme(s);	Not Applicable
Whether the scheme(s) is to be implemented and administered directly by the company or through a trust;	The Plan is implemented and administered directly by the Company through Nomination and Remuneration Committee, Administrator of the Plan
Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both;	The Plan involves new issue of shares by the Company
The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;	Not Applicable
Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);	Not Applicable
Method of valuing the Stock Options;	Fair Value
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.	

MAGMA FINCORP LIMITED "MAGMA HOUSE" 24, Park Street, Kolkata

As required under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (Corresponding to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014) (hereinafter "SEBI Guidelines") the Company has submitted an application with National Stock Exchange of India Limited and BSE Limited ("the Stock Exchanges") for seeking their in-principle approval for listing of the 50,00,000 (Fifty Lacs only) Equity Shares issued and/or to be issued under the Plan. However, it was advised that though the Special Resolution No. 1 passed by the shareholders of the Company through Postal Ballot on 25 September 2014 was inclusive i.e., included both the employees of the Company and its subsidiary (ies), but since no separate resolution was passed by the Company for extending the benefits of the Plan to the employees of its subsidiary(ies), the benefits under the Plan could not be passed on to the employees of the Subsidiary.

Relying on the bona fide interpretation of the SEBI Guidelines and acting in the best interest of retaining and nurturing the talent pool of the Company and its subsidiaries, and on the basis of the Special Resolution No. 1 passed through postal ballot on 25 September 2014, the Company had issued and granted Restricted Options to the Eligible Employees of its subsidiaries. However, pursuant to provisions of clause 6(1) of SEBI Guidelines there is a requirement of the approval of the Company's shareholders for grant of Restricted Stock Options to employees of subsidiary(ies) under the Plan and also to ratify the actions taken by the Company.

The Board recommends the passing of the resolution as set out under Item No. 2 for approval of the members and shareholders as a special resolution.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

ITEM NO. 3

Keeping in view the time and attention devoted by the Independent Directors to the affairs of the Company and their contribution to the business and operations of the Company, the Members of the Company at the Annual General Meeting held on 21 June 2011, granted their approval by way of a Special Resolution under Section 309 of the Companies Act, 1956 (corresponding Section 197 of the Companies Act 2013) to the Board of Directors of the Company for the determination and distribution among the Non-Executive Independent Directors, a sum not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956 (corresponding Section 197 of the Companies Act 2013), for each of the five financial years of the Company commencing from 1 April 2011. The validity of the aforesaid Resolution is upto 31 March 2016.

After the commencement of the Companies Act 2013 ('the Act') and introduction of new Corporate Governance norms and listing regulations, the roles and responsibilities of the Independent Directors have undergone significant changes making it more onerous for them and demanding their greater involvement in the supervision of the Company. The compensation payable to the Independent Directors of companies should be adequate to attract independent professionals to take up these positions.

Hence, fresh approval of the shareholders is sought to enable the Company to make payment of remuneration in the form of commission to Non-Executive Independent Directors, commensurate with their enhanced role and involvement, in any case not exceeding the limit of 1% of the net profits of the Company per annum in aggregate, as specified in Section 197(1)(ii) (A) of the Act, computed in the manner laid down in Section 198 of the Act. The quantum of commission payable to each of the Non- Executive Independent Directors for each year may be decided by the Board as it may deem fit based on the recommendation of Nomination and Remuneration Committee with effect from the financial year commencing from 1 April 2016.

The Board recommends the passing of the resolution as set out under Item No. 3 for approval of the members and shareholders as an ordinary resolution.

All the Non-Executive Independent Directors are said to be deemed concerned or interested in the proposed Resolution as it relates to their remuneration in the form of commission. None of the other Directors and Key Managerial Personnel of your Company or their relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

As per the requirements of Secretarial Standard 2 issued by the Institute of Company Secretaries of India, please find appended below details of the Non Executive Independent Directors who are entitled for commission:

Name	Mr. Narayan K Seshadri	Mr. Nabankur Gupta	Mr. Satya BrataGanguly	Mr. Neil Graeme Brown
Age	58	67	73	57
Date of first appointment on the Board	31 October 2006	22 October 2008	16 July 2010	4 August 2006
Qualification	FCA	B.Tech	• Chemical Engineer • Fellow of Plastics & Rubber Institute (London) • Fellow of Institute of Chemical Engineers • Fellow of the Institute of Chemicals	ICAEW, MA
Expertise in specific functional area	He has over 35 years experience and specialises in Corporate Strategy, Organisational Transformation, Financial Restructuring and Risk Management.	He has rich experience of over 39 years in the field of Marketing, Business Development and General Management.	He has over 49 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 33 years experience.
Terms and conditions of appointment or re-appointment	NA	NA	NA	NA
Details of remuneration sought to be paid	An amount not exceeding the maximum limit of 1% of the Net Profits of the Company per annum in aggregate as specified in Section 197(1) (ii) (A) of the Act			
Remuneration last drawn: -commission -sitting fees (As per last audited balance sheet dated 31 March 2015)	 Rs. 65 lac Rs. 3 lac	 Rs. 25 lac Rs. 1.60 lac	 Rs. 15 lac Rs. 4.80 lac	 Rs. 30 lac Rs. 2.20 lac
*List of outside Directorships held	• PI Industries Limited • Kalpataru Power Transmission Limited • Wabco India Limited • Astrazeneca Pharma India Limited • SBI Capital Markets Limited	• Raymond Limited • J.K.Helene Curtis Limited • Cravatex Limited • Pritish Nanady Communications Limited • PNC Wellness Limited • VIP Industries Limited • Videocon d2h Limited	• West Bengal Industrial Development Corp Ltd. • Paharpur Cooling Towers Ltd. • Emami Ltd. • Peerless Trust Management Company Limited	—

MAGMA FINCORP LIMITED
MAGMA HOUSE
24, Park Street, Kolkata-16

Name	Mr. Narayan K Seshadri	Mr. Nabankur Gupta	Mr. Satya BrataGanguly	Mr. Neil Graeme Brown
	• Sundaram Investment Limited • Radiant Life Care Private Limited • IRIS Business Services Limited • International Assets Reconstruction Co. Pvt. Ltd. • Halcyon Resources & Management Pvt. Ltd • A2O Software India Pvt Ltd • Halcyon Enterprises Private Limited • Tranzmute Capital & Management Private Ltd • Lindner Investments Limited, BVI • Indrise Investments • TVS Electronics Limited • Seynse Technologies Private Limited	• Blueocean Capital and Advisory Services Pvt Ltd • Quantum Advisors Private Limited • Gomukhi Indus Capital Advisory Pvt Ltd	• Su-kam Power Systems Limited • Magma ITL Finance Ltd • Rupa & Co Ltd	
**Chairman/Member of the Committee of the Board of Directors of other Companies in which he/she is a Director	**Chairman of the Audit Committee :** • WABCO India Limited • PI Industries Limited • SBI Capital Markets Limited **Member of the Audit Committee :** • Kalpataru Power Transmission Ltd • IRIS Business Services Limited • International Asset Reconstruction Company Private Limited	**Member of the Audit Committee :** • PritishNandy Communications Limited • Raymond Limited • Cravatex Limited • Quantum Advisors Private Limited • J.K.Helene Curtis Limited **Chairman of the Stakeholders' Relationship Committee :** • Raymond Limited	**Chairman of the Audit Committee :** • Emami Limited • Paharpur Cooling Towers Limited **Member of Audit Committee :** • West Bengal Industrial Development Corporation Limited • Peerless Trust Management Company Limited • Su-Kam Power Systems Limited • Rupa& Co Ltd • Magma ITL Finance Ltd **Member of the Stakeholders' Relationship Committee :** • Emami Limited	—
Shareholding in the Company	Nil	5,000 equity shares	Nil	Nil
No. of Meetings of the Board attended during the year (Till 25 February 2016)	No. of Meeting held :5 No. of Meeting attended:4	No. of Meeting held :5 No. of Meeting attended:5	No. of Meeting held :5 No. of Meeting attended:3	No. of Meeting held :5 No. of Meeting attended:2
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No	No	No	No

*Excludes Directorships in Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

** Includes only Audit Committee and Stakeholders' Relationship Committee.

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

25 February 2016

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

Sd/-
Shabnum Zaman
Company Secretary
ACS No.-13918

MAGMA FINCORP LIMITED
"MAGMA HOUSE"
24 Park Street, Kolkata-16

MAGMA
Investing in the smallest dream

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; Email:shabnum.zaman@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 25 February 2016 by sending my/our assent or dissent to the following resolution 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.	Issuance of debt securities pursuant to Sections 42, 71 and 180(1)(c) of the Companies Act, 2013, upto an overall ceiling of Rs. 1800 crores on Private Placement basis	Special			
2.	Approval of extending benefits of Magma Restricted Stock Option Plan 2014 to the employees of subsidiary(ies) of the Company	Special			
3.	Commission for Non Executive Independent Directors	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
103808		

Note: (i) If the voting rights are exercised electronically, there is no need to use this form.
(ii) Please read the notes/instructions printed on the Postal Ballot Notice/Form carefully before exercising your vote.

MAGMA FINCORP LIMITED
MAGMA HOUSE
24, Park Street, Kolkata-16

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 postage pre-paid envelope. Postage will be borne and paid by the Company. However, envelope containing Postal Ballot Form, deposited in person or sent by courier or by Registered 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). The Postal Ballot Form shall be rejected, if the signature in the Postal Ballot Form does not match with the signatures registered with 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. An unsigned, incomplete, incorrectly completed, incorrectly ticked or wrongly signed Postal Ballot Forms will be rejected.
5. Members may not use all their votes and may not cast all their votes in the same way.
6. The voting period ends on **Tuesday, 29 March 2016 (5:00 P.M. IST).** Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours on **Tuesday, 29 March 2016.** 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 of members other than individuals, the Form shall be signed by an authorized representative of the Body Corporate, Trust, Societies or any other entity provided a certified true copy of the Board Resolution or a specific authorization, duly attested, of such other entity as the case may be, giving requisite authority to such Authorized Representative to sign the Postal Ballot Form is attached to 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. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on the cut-off date i.e. **Friday, 12 February 2016** and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.
11. 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. Postal Ballot form bearing (✓) in both the columns will render the form invalid.
12. There shall be one postal ballot for every Folio No. / DP ID & Client ID irrespective of the number of joint holders.
13. Members are requested not to send any other paper except duly completed Postal Ballot Form together with authorizations, if any (as mentioned in Point No 8 above) in the enclosed self addressed postage pre-paid envelope since such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
14. If at all two postal ballot forms are received from the same member, the postal ballot form received first shall only be considered for the purposes of determining majority.
15. For any query connected with the Resolution(s) proposed to be passed by means of Postal Ballot contact Company Secretary of the Company by sending email at shabnum.zaman@magma.co.in or call at +91 33 4402 7736
16. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
17. 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 www.magma.co.in. at its weblink at https://magma.co.in/about-us/investor-relations/secretarial-documents/download-secretarial-documents/. The result of the postal ballot shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed, NSDL and also be published in the newspaper(s).

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

By order of t he Board of Directors
For **Magma Fincorp Limited**

Sd/-
Shabnum Zaman
Company Secretary
ACS No.-13918

25 February 2016

Certified To Be True Copy
For MAGMA FINCORP LIMITED

Company Secretary