

SPECIMEN

Mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.

Website: www.mahindrafinance.com • **email:** investorhelpline_mmfsf@mahindra.com

Dear Member(s),

Postal Ballot Notice pursuant to Section 192A of the Companies Act, 1956

The Company proposes to increase its current borrowing limits from Rs. 30,000 crores to Rs. 38,000 crores in order to further expand its business activities and to meet its increased financial needs, as more specifically described in the Ordinary Resolution appended to this Notice. As per the provisions of section 293(1)(d) of the Companies Act, 1956 ("the Act"), the Board of Directors of the Company cannot borrow moneys in excess of the aggregate of the paid-up capital of the Company and its free reserves without the approval of the Members by means of an Ordinary Resolution.

For this purpose, the Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s).

In terms of section 293(1)(a) of the Act, the creation of such charge, mortgage and hypothecation requires the approval of the Members by way of an Ordinary Resolution.

Further, in terms of section 192A of the Act read with clause 5(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("the Rules"), any Resolution under section 293(1)(a) of the Act for the sale of the whole, or substantially the whole of any such undertaking requires the approval of the Members of the Company by means of a Postal Ballot.

Accordingly, the draft of the Ordinary Resolution together with the Explanatory Statement setting out the material facts and reasons for the Resolution is being sent to you along with a Postal Ballot Form for your consideration.

The Company has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary, as a Scrutinizer, and Ms. Aparna Gadgil, Practising Company Secretary, as an Alternate Scrutinizer to Mr. S. N. Ananthasubramanian for conducting the Postal Ballot in a fair and transparent manner and in accordance with the provisions of the Act and Rules framed thereunder.

In compliance with clause 35B of the Listing Agreement and provisions of section 192A of the Act read with the Rules, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate for its Members, to enable them to cast their votes electronically instead of despatching the physical Postal Ballot Form by post. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to its Members. It may be noted that e-voting is optional. In case a Member has voted through e-voting facility, he is not required to send the physical Postal Ballot Form. In case a Member votes through e-voting facility as well as sends his vote through physical vote, the vote cast through e-voting shall only be considered and the voting through physical Postal Ballot shall not be considered by the Scrutinizer.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>. Please refer the instructions for e-voting given after the Explanatory Statement for the process and manner in which e-voting is to be carried out.

Members opting to vote through physical mode; i.e. sending the Postal Ballot Form duly signed by post, are requested to carefully read the instructions printed at the end of the Postal Ballot Form and return the Form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on 7th June, 2013.

The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny of the Postal Ballots received in electronic and physical mode. The Chairman or the Managing Director of the Company or the

Company Secretary, will announce the Results of the Postal Ballot on Wednesday, the 12th day of June, 2013 at 4.30 p.m. at the Company's Corporate Office at Mahindra Towers, 'A' Wing, 4th Floor, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Results will be displayed at the Registered Office and the Corporate Office, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The Results will also be hosted on the Company's website www.mahindrafinance.com and will be published in the Newspapers for the information of the Member(s).

DRAFT ORDINARY RESOLUTION:

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

"RESOLVED that in supersession of the Resolution passed by the Shareholders by means of a Postal Ballot on 12th June, 2012 and pursuant to the provisions of section 293(1)(a), 293(1)(d) and all other applicable provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, consent of the Company be accorded to the Board of Directors to borrow moneys from time to time and, if they think fit, for mortgaging or charging the Company's undertaking(s) and any property or any part thereof to secure such borrowings, upto a continuous limit for the time being and from time to time remaining undischarged of Rs. 38,000 crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed at anytime, the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

In terms of the provisions of section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a company cannot borrow moneys in excess of the amount of the paid-up capital of the company and its free reserves without the approval of the Members in a General Meeting.

The Members by an Ordinary Resolution passed by means of a Postal Ballot Voting process on 12th June, 2012, had empowered the Board of Directors of the Company to borrow moneys upto Rs. 30,000 crores even though such borrowing would be in excess of the paid-up share capital and free reserves of the Company.

The moneys so borrowed by the Company and outstanding as at 31st March, 2013 amounted to approximately Rs. 18,872 crores. During the year 2012-2013, the Company has disbursed Rs. 23,839 crores and it has plans to disburse over Rs. 34,000 crores during the current year, for financing the Mahindra range of vehicles and tractors and for other products like Cars, Commercial Vehicles, Construction Equipment, Pre-owned Vehicles, etc., of reputed automobile manufacturers, for Invoice Discounting and SME Financing.

In order to further expand its business and to meet increased financial needs for the budgeted disbursements, it is proposed to enhance its borrowing limits to Rs. 38,000 crores, at which level, the Company would be within the capital adequacy requirement of 15% as per the Guidelines issued by the Reserve Bank of India.

The Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of section 293(1)(a) of the Act any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking requires the approval of the Members by way of an Ordinary Resolution.

Accordingly, the consent of the Members is being sought for the enhancement of the borrowing limits and to secure such borrowings by mortgage/charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company as set out in the Resolution appended to this Notice.

The Board recommends the passing of the Resolution as an Ordinary Resolution.

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POSTAL BALLOT FORM

POSTAL BALLOT NO.

1. Name(s) of Member(s) :

2. Registered address of the
Sole/first named Member :

SPECIMEN

3. Name(s) of Jointholder(s), if any :

4. Registered Folio No. /
DPID No. / Client ID No.* :

(*applicable to investors holding
shares in dematerialised form)

5. No. of Shares held :

6. I/We hereby exercise my/our vote in respect of the Ordinary Resolution as proposed to be passed through Postal Ballot for the business stated in the Notice of the Company dated 3rd May, 2013, by sending my/our assent or dissent to the said Resolution by placing tick (✓) mark at the appropriate box below:

Description	No. of Shares	I/We assent to the Resolution	I/We dissent to the Resolution
Ordinary Resolution for increase in Borrowing limits from Rs.30,000 crores to Rs.38,000 crores under Section 293(1)(d) of the Companies Act, 1956 ("the Act") and creation of charge on the Company's property(ies) under Section 293(1)(a) of the Act.			

Place :

Date :

(Signature of Member)

The Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of sending the Postal Ballot Forms to the Scrutinizer. E-Voting is optional.

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

NOTE: Please read carefully the instructions printed below before exercising your vote.

INSTRUCTIONS FOR VOTING IN PHYSICAL MODE:

1. A Member desiring to exercise the vote by Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope (bearing the address of the Scrutinizer appointed by the Board of Directors of the Company). Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier at the expense of the Member will also be accepted.
2. This Form should be completed and signed by the Member. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited/Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialised form respectively) by the first named Member and in his/her absence, by the next named Member.
3. In case of shares held by companies, trusts, societies, etc. duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authorisation giving requisite authority to the person voting on the Postal Ballot Form. Where the form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form.
4. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Members.
5. The right of voting by Postal Ballot shall not be exercised by a Proxy.
6. Unsigned or incorrect Postal Ballot Form will be rejected.
7. A Member need not use all the votes nor needs to cast all the votes in the same way.
8. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 7th June, 2013. Postal Ballot Form received after this date will be treated as if the reply from the Member(s) has not been received.
9. 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 Sr. No. 8 above.
10. The voting rights shall be reckoned on the paid-up value of Shares registered in the name of the Member(s) on the date of the Notice annexed herewith i.e. 3rd May, 2013.
11. Member(s) are requested not to send any other paper alongwith the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope as such envelope will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
13. The results of the Postal Ballot will be declared at the Corporate Office of the Company as specified in the Notice. The results will thereafter be published in newspapers, for the information of Members.