

SPECIMEN

Mahindra FINANCE

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

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

Corporate Identity Number: L65921MH1991PLC059642

Tel: +91 22 66526000; **Fax:** +91 22 24984170

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

Dear Member(s),

Postal Ballot Notice pursuant to Section 110 of the Companies Act, 2013

The Company proposes to increase its current borrowing limits from Rs.38,000 crores to Rs.45,000 crores in order to further expand its business activities and to meet its increased financial needs, as more specifically described in the Special Resolution under Item No.1 appended to this Notice. As per the provisions of section 180(1)(c) of the Companies Act, 2013 ("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 way of a Special 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 180(1)(a) of the Act, the creation of such charge, mortgage and hypothecation requires the approval of the Members by way of a Special Resolution.

The Company also proposes to offer or invite subscriptions for Non-Convertible Debentures, Subordinated Debentures, Bonds, and/or other debt securities, etc., on a private placement basis, in one or more tranches, subject to the approval of the Members, in accordance with the provisions of sections 42, 71 and all other applicable provisions, if any, of the Act and as more specifically described in the Special Resolution under Item No.2 of the Notice.

The Company proposes the Special Resolutions to be passed by the Members through Postal Ballot, pursuant to section 110 of the Act read with the Rules framed thereunder. Accordingly, the draft of the Special Resolutions together with the Explanatory Statement setting out the material facts and reasons for the Resolutions 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 110 of the Act read with the Rules, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate, to all 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 14th June, 2014.

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 Thursday, the 19th day of June, 2014 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 of the Postal Ballot and the Report of the Scrutinizer 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 and the Report of the Scrutinizer will also be hosted on the Company's website www.mahindrafinance.com and the Results will thereafter be published in the Newspapers for the information of the Members.

DRAFT SPECIAL RESOLUTIONS :

To approve Borrowing limits of the Company and creation of charge on the assets of the Company

- (1) To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED that in supersession of the Resolution passed by the Shareholders by means of a Postal Ballot on 12th June, 2013 and pursuant to the provisions of sections 180(1)(a), 180(1)(c) and all other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable and the Memorandum and Articles of Association of the Company, consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow moneys from time to time and, if they think fit, for creation of such mortgage, charge and/or hypothecation as may be necessary, on such of the assets of the Company, both present and future, in such manner as the Board may direct, in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments, 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 of an outstanding aggregate value not exceeding Rs. 45,000 crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/Loan Agreements/ Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings.

FURTHER RESOLVED that the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

Private Placement of Non-Convertible Debentures and/or other Debt Securities

- (2) To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED that pursuant to the provisions of sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 [hereinafter collectively referred to as "the Rules"] as may be amended from time to time, and subject to such other Regulations/Guidelines, approval of the Members 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 any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds, and /or other debt securities, etc., on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

FURTHER RESOLVED that the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time, as to interest, repayment, security or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

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FURTHER RESOLVED that the Board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

The following Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), sets out all material facts relating to the business mentioned under Item Nos. 1 and 2 of the accompanying Notice dated 9th May, 2014:

ITEM NO.1

In terms of the provisions of section 180(1)(c) of the Act, 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 by way of a Special Resolution.

The Members by an Ordinary Resolution passed by means of a Postal Ballot Voting process on 12th June, 2013, had empowered the Board of Directors of the Company to borrow moneys upto Rs. 38,000 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, 2014 amounted to approximately Rs. 23,930.64 crores. During the year 2013-2014, the Company has disbursed Rs. 25,400.02 crores and it has plans to disburse over Rs. 30,000 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. 45,000 crores, at which level, the Company would be within the capital adequacy requirement of 15% applicable with effect from 31st March, 2012, 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 180(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 a Special 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 Resolution No.1 appended to this Notice.

The Board recommends the passing of the Resolution under Item No.1 as a Special Resolution.

Your approval is sought by voting through Postal Ballot pursuant to the provisions of section 110 of the Act read together with such Rules as may be applicable for passing the Special Resolution as set out in this Notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in this item of business. It may be noted that all the Directors and Key Managerial Personnel are Members of the Company.

ITEM NO.2

The Ministry of Corporate Affairs (MCA) has notified section 42 of the Act, dealing with offer/invitation for subscription of securities on a private placement basis and section 71 of the Act pertaining to issue of debentures to come into effect from 1st April, 2014.

As per section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 [hereinafter referred to as "the Rules"], a company offering or making an invitation to subscribe to Non-Convertible Debentures ('NCDs') on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs during the year.

NCDs including Subordinated Debentures, Commercial Papers, Bonds, etc., issued on a private placement basis constitute a significant source of borrowings for the Company. The aggregate borrowings of the Company at present is approximately Rs.23,762.76 crores, of which NCDs including Subordinated Debentures, comprise Rs.5524.50 crores.

It is proposed to offer or invite subscriptions for NCDs including Subordinated Debentures, Bonds, and/or other debt securities, etc., on a private placement basis, in one or more tranches, during the period of one year from the date of passing

of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under section 42 and other applicable provisions, if any, of the Act read with the Rules framed thereunder as set out in Resolution No.2 appended to this Notice.

The Board recommends the passing of the Resolution under Item No.2 as a Special Resolution.

Your approval is sought by voting through Postal Ballot pursuant to the provisions of section 110 of the Act read together with such Rules as may be applicable for passing the Special Resolution as set out in this Notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in this item of business. It may be noted that all the Directors and Key Managerial Personnel are Members of the Company.

By Order of the Board
For Mahindra & Mahindra Financial Services Limited

Arnavaz M. Pardiwalla
Company Secretary

Place : Mumbai

Date : 9th May, 2014

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the instructions below to cast their vote through e-voting: -

I. In case of Members receiving the e-mail from NSDL :

- a. Open the email and open the pdf file with your Client ID or Folio No. as Password. The said pdf file contains your User ID and Password for e-voting. Please note that the Password is an Initial Password.
- b. Launch the internet browser by typing the following URL <https://www.evoting.nsdl.com>.
- c. Click on "Shareholder-Login".
- d. Put User ID and Password noted in step (a) above as the initial password. Click Login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- e. If you are logging in for the first time, Password Change Menu appears. Change the Password with new Password of your choice with minimum 8 digits/characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- f. Home page of "e-voting" opens. Click on "e-voting" : Active Voting Cycles.
- g. Select "EVEN (E-Voting Event Number)" of Mahindra & Mahindra Financial Services Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution or till the end of voting period i.e. upto close of 14th June, 2014 whichever is earlier.
- h. Now you are ready for "e-voting" as "Cast Vote" Page opens.
- i. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.
- j. Institutional Shareholders (i.e. Shareholders other than individuals, HUF, NRIs etc.) are also 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 at : scrutinizer@snaco.net with a copy marked to evoting@nsdl.co.in. Please note that Proxies are not allowed to cast their vote through Postal Ballot.
- k. 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 <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or call on: (022) 24994600.
- l. Kindly note that shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-voting. In case of receipt of vote by both the modes, voting done through e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

II. In case of Members receiving the Postal Ballot Form by Post :

- i) The initial Password is provided in the table given in the Postal Ballot Form.
- ii) Please follow all the steps from (b) to (l) above to cast your vote.

SPECIMEN**Mahindra FINANCE****MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED**

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

Corporate Identity Number : L65921MH1991PLC059642

Tel: +91 22 66526000; Fax: +91 22 24984170; Website: www.mahindrafinance.com; email: investorhelpline_mmfsl@mahindra.com

POSTAL BALLOT FORM

POSTAL BALLOT NO.

1. Name(s) of Member(s) :
2. Registered address of the Sole/first named Member :
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 Special Resolutions as proposed to be passed through Postal Ballot for the businesses stated in Item Nos.1 and 2 in the Notice of the Company dated 9th May, 2014, by sending my/our assent or dissent to the said Resolution(s) by placing tick (✓) mark at the appropriate box below:

Sr. No.	Description	No. of Shares	I/We assent to the Resolution(s)	I/We dissent to the Resolution(s)
1.	Special Resolution for increase in Borrowing limits from Rs. 38,000 crores to Rs. 45,000 crores under section 180(1)(c) of the Companies Act, 2013 ("the Act") and creation of charge on the Company's property(ies) under section 180(1)(a) of the Act.			
2.	Special Resolution for issue of Non-Convertible Debentures and/or other debt securities on a Private Placement basis			

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. 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.

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 14th June, 2014. 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. 9th May, 2014.
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 and Report of the Scrutinizer will also be hosted on the Company's website www.mahindrafinance.com and the Results will thereafter be published in newspapers, for the information of Members.