



MAGMA FINCORP LIMITED

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

NOTICE OF THE POSTAL BALLOT

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

NOTICE is hereby given that pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, the resolution set out hereunder for the purpose of issue of preference shares on preferential basis in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 is proposed to be passed as special resolution by means of postal ballot.

SPECIAL RESOLUTION

Issue of 11% Cumulative Redeemable Non Convertible Preference shares upto a sum of Rs. 70 crore.

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

"RESOLVED THAT pursuant to the provisions of Sections 80, 81(1A) and other applicable provisions, *if any*, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), enabling provisions in the Memorandum and Articles of Association of the Company and subject to such approvals, permissions and sanctions as may be necessary and further subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **'Board'** which term shall include any Committee thereof for the time being exercising the powers conferred by the Board), the consent, authority and approval of the Company be and is hereby accorded to the Board to offer, issue and allot 11 % Cumulative Redeemable Non Convertible Preference Shares (CRNCPS) upto a sum of Rs. 70,00,00,000 (Rupees Seventy crore only) in two Series viz. Series I amounting to Rs. 50,00,00,000 comprising of 50,00,000 Nos. 11 % CRNCPS of Rs.100/- each & Series II amounting to Rs. 20,00,00,000 (Rupees Twenty crore only) comprising of 20,00,000 Nos. 11 % CRNCPS of Rs.100/- each for cash at par on preferential allotment basis in one or more tranches, to various entities which may include the Promoters / the Promoter Group, on the following terms and conditions:

Series of CRNCPS	Amount
Series I 11 % CRNCPS	Rs. 50 crore
Series II 11 % CRNCPS	Rs. 20 crore

Terms of Issue

1. **Nature of Instrument:** Cumulative Redeemable Non-Convertible Preference Shares.
2. **Instrument Form:** Only in Dematerialized Form

3. **Face Value:** Rs.100/-
4. **Issue Price:** Rs.100/-
5. **Tenure:** 3 years
6. **Dividend Rate:** 11%
7. **Dividend Payout:** Annually. The Dividend shall be paid within the stipulated time frame post the Annual General meeting of the Company as per the provisions of the Companies Act, 1956 & the rules made there-under.

The first dividend will be paid proportionately for the portion of period of the financial year in respect of which it is paid, i.e. from the deemed date of Allotment to 31st March, 2013.

The last dividend will also be paid proportionately for the portion of period of the financial year in respect of which it is paid, i.e. from 1st of April, 2015 to the date of redemption.
8. **Interest on application money:** At 11% p.a. (On Amount Paid, subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment.
9. **Redemption:** At par at the end of 3 years from date of allotment.
10. **Depository:** NSDL & CDSL

RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Management Committee of the Board of Directors of the Company or such person as may be appointed / delegated by it, be and is hereby authorized to do all such acts, deeds, matters and things and carry out or accept all such conditions, modifications and alterations as it may in its sole discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to the offer, issue and allotment of the CRNCPS in two series viz. Series I and Series II and further to finalise and execute all documents and writings as may be necessary, desirable or expedient without being requested to seek any further consent or approval of the Company in this regard.”

Registered Office :
“Magma House”,
24, Park Street, Kolkata - 700 016
West Bengal
3rd October, 2012

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

Sd/-
Girish Bhatia
Company Secretary

NOTES

1. Explanatory statement pursuant to Section 173(2) and 192A and other applicable provisions of the Companies Act, 1956, in respect of the business set out above is annexed hereto.
2. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the assent or dissent of the Company in respect of the resolution under Postal Ballot Notice dated 3rd October, 2012 shall be determined through Postal Ballot.
3. The Management 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.

4. The voting rights of the Members shall be reckoned as on 28th September, 2012 which is the cut off date.
5. 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 5th November, 2012, at the registered office of the Company which will be placed on the notice board of the Company and the same will also be placed on the Company's website i.e. "www.magma.co.in". The results of the postal ballot will also be noted at the next General Meeting of the Company.
6. The Scrutinizer's decision on the validity of a postal ballot form shall be final.
7. Member(s) desiring to exercise vote can do so either by sending Postal Ballot Form or by using e-voting facility.
8. In case a member(s) is desiring 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 Saturday, 3rd November, 2012. 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.
9. In case a member is desiring 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. 3rd November, 2012, whichever is earlier.
10. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND SECTION 192A OF THE COMPANIES ACT, 1956

The Board of Directors of the Company proposes to raise finance by way of issue of Preference Shares upto a sum of Rs. 70 crores for, *inter-alia*, strengthening the financial position of the Company by augmenting its long term resources, enabling redemption of Preference capital as and when required and further augmenting the Tier II capital of the Company.

The Board of Directors of the Company recommends the resolution set out in the accompanying Notice for the approval of the members of the Company. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

None of the Director is, in any way, concerned or interested in the above resolution.

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3rd October, 2012

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For **Magma Fincorp Limited**

Sd/-
Girish Bhatia
Company Secretary