SPECIMEN

Mahindra Finance

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Registered Office: Gateway Building, Apollo Bunder, Mumbai - 400 001.
Website: www.mahindrafinance.com • **email:** investorhelpline_mmfsl@mahindra.com

Dear Member(s),

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

The Board of Directors of the Company has at its Meeting held on 21st December, 2012 approved a proposal to sub-divide each Equity Share of the face value of Rs.10 each fully paid-up in the Equity Share Capital of the Company into 5 (five) Equity Shares of the face value of Rs. 2 each fully paid-up and carry out consequential amendments to the existing Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company.

In terms of section 192A of the Companies Act, 1956 ("the Act"), a listed company may propose any resolution to be passed by the Members through Postal Ballot in accordance with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("the Rules"). Although not mandatory, the Board is seeking Members' approval through Postal Ballot process instead of convening a general meeting, to facilitate wider participation in the decision making process by the Members.

Accordingly, the draft of the proposed Resolutions together with the Explanatory Statement setting out the material facts and reasons for the Resolutions are 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, 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 1st February, 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 Tuesday, the 5th day of February, 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 RESOLUTIONS

1. Sub-division (Stock-Split) of Equity Shares of Rs.10 each of the Company

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

"RESOLVED that pursuant to the provisions of section 94 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory Authority(ies), each Equity Share of the Company having a face value of Rs.10 each fully paid-up be sub-divided into 5 (Five) Equity Shares of the face value of Rs. 2 each fully paid-up.

FURTHER RESOLVED that upon sub-division of Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of Rs.10 each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing Share Certificate(s), directly issue and despatch the new Share Certificate(s) of the Company, in lieu of such existing Share Certificate(s) subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960 and in the case of Shares held in the dematerialised form, the corresponding number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

FURTHER RESOLVED that the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

2. Alteration of Memorandum of Association of the Company

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

"RESOLVED that pursuant to section 16 and all other applicable provisions, if any, of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company be altered by substituting in its place and stead the following :

'V. The Authorised Share Capital of the Company is Rs. 190,00,00,000 (Rupees One Hundred and Ninety Crores) consisting of 70,00,00,000 (Seventy Crores) Equity Shares of Rs. 2 (Rupees Two) each and 50,00,000 (Fifty Lakhs) Redeemable Preference Shares of Rs. 100 (Rupees Hundred) each.'

The Company has power from time to time to consolidate or sub-divide or increase or reduce its capital and to issue any of the shares in the capital, original or increased as ordinary or preferred, with or subject to any preferential, special, deferred or qualified rights, including the right to be converted into equity shares, or any other privileges or conditions as regards payment of dividends, distribution of assets, repayment or reduction of capital, voting or otherwise and generally on such terms as the Company may from time to time by special resolution determine and to vary the regulations of the Company, as far as necessary to give effect to the same, and upon the sub-division of a share to apportion the right to participate in profits in any manner, subject to the provisions of law.' "

3. Alteration of Articles of Association of the Company

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

"RESOLVED that pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956, Article 3 of the Articles of Association of the Company be substituted by the following :

'3. The Authorised Share Capital of the Company is Rs. 190,00,00,000 (Rupees One Hundred and Ninety Crores) consisting of 70,00,00,000 (Seventy Crores) Equity Shares of Rs. 2 (Rupees Two) each and 50,00,000 (Fifty Lakhs) Redeemable Preference Shares of Rs. 100 (Rupees Hundred) each.' "

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

Item Nos. 1 to 3

The Equity Shares of your Company are listed and actively traded on BSE Limited and National Stock Exchange of India Limited.

The market price of the Equity Shares of your Company has witnessed significant rise over a period of time. Such high price of the Equity Shares of the Company keeps the small retail investors away from trading in your Company's Equity Shares leading to reduction in the liquidity of the Shares of your Company in the Stock Market.

In order to improve the liquidity of your Company's Equity Shares in the Stock Market with higher floating stock in absolute numbers and to make it more affordable for the small retail investors to invest in the Company, the Board of Directors of the Company, at its Meeting held on 21st December, 2012, has recommended sub-division (stock-split) of each Equity Share of the Company having a present face value of Rs.10 each into 5 (Five) Equity Shares of the face value of Rs. 2 each, subject to the approval of the Members and all the concerned Statutory Authority(ies). It was also decided by the Board of Directors at the aforesaid Meeting that the approval of Members for the above proposal be obtained by way of a Postal Ballot pursuant to the provisions of section 192A of the Companies Act, 1956 ("the Act") and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The Record Date for the aforesaid sub-division of the Equity Shares will be fixed by the Company after the approval of the Members is obtained.

The sub-division of Equity Shares would *inter alia*, require appropriate adjustments to be made to the number of options granted and outstanding as at the Record Date and the exercise price, in accordance with the provisions of the Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme 2005 and Mahindra & Mahindra Financial Services Limited Employees' Stock Option Scheme 2010 respectively, and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Presently, the Authorised Share Capital of the Company is Rs.190 crores divided into 14,00,00,000 Equity Shares of Rs.10 each and 50,00,000 Redeemable Preference Shares of Rs. 100 each. The issued and paid-up Share Capital of the Company as on date is Rs. 113.75 crores divided into 11,37,52,992 Equity Shares of Rs.10 each.

The sub-division as aforesaid would require consequential amendments to the existing Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company as set out in Item Nos. 2 and 3 of the Notice respectively.

Accordingly, the Resolutions at Item Nos. 1 to 3 seek the approval of the Members for the proposed sub-division of the Equity Shares of the face value of Rs.10 each and the consequent amendments to the existing Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company.

The Board of Directors is of the opinion that the aforesaid sub-division of the face value of the Equity Shares, is in the best interest of the Company and the investors and hence commends the passing of the Resolution at Item No.1 as an Ordinary Resolution and the Resolutions at Item Nos. 2 and 3 as Special Resolutions.

A Copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments is available for inspection by any Member at the Corporate Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) upto 1st February, 2013.

It may be noted that Mr. Bharat Doshi, Mr. Uday Y. Phadke, Mr. Ramesh Iyer, Dr. Pawan Kumar Goenka, Mr. M. G. Bhide, Mr. Dhananjay Mungale, Mr. Piyush Mankad and Mrs. Rama Bijapurkar, Directors of the Company are also Shareholders of the Company and may be deemed to be concerned or interested in this Resolution only to the extent of their respective Shareholding in the Company to the same extent as that of every other Shareholder of the Company.

Your approval is sought by voting through Postal Ballot pursuant to the provisions of section 192A of the Act read together with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for passing the Resolutions as set out in this Notice.

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

Arnavaz M. Pardiwalla
Company Secretary

Place : Mumbai
Date : 26th December, 2012

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 1st February, 2013, 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.

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MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

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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 :
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 Resolutions as proposed to be passed through Postal Ballot for the businesses stated in Item Nos.1, 2 and 3 in the Notice of the Company dated 26th December, 2012 by sending my/our assent or dissent to the said Resolutions 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.	Ordinary Resolution to sub-divide each Equity Share of the face value of Rs.10 each into 5 Equity Shares of the face value of Rs. 2 each.			
2.	Special Resolution to amend Clause V of the Memorandum of Association of the Company.			
3.	Special Resolution to amend Article 3 of the Articles of Association of the Company.			

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 1st February, 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. 26th December, 2012.
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 newspaper(s), for the information of Members.

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