

# 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

## Notice

THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED will be held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, next to Sachivalaya Gymkhana, Mumbai-400 021 on Thursday, the 24th day of July, 2014, at 3.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2014 including the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To declare a dividend on Equity Shares.

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

**"RESOLVED that** Dr. Pawan Kumar Goenka (DIN: 00254502), a Director liable to retire by rotation, who does not seek re-appointment, be not re-appointed a Director of the Company.

**FURTHER RESOLVED that** the vacancy so created on the Board of Directors of the Company, be not filled."

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

**"RESOLVED that** pursuant to sections 139, 142 and such other applicable provisions of the Companies Act, 2013, Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Registration Number 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

### SPECIAL BUSINESS:

5. 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Piyush Mankad (DIN: 00005001), who was appointed as Director of the Company liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 24th July, 2014, not liable to retire by rotation."

6. 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. M. G. Bhide (DIN: 00001826), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 24th July, 2014, not liable to retire by rotation."

7. 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dhananjay Mungale (DIN: 00007563), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 24th July, 2014, not liable to retire by rotation.”

8. 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Rama Bijapurkar (DIN: 00001835), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 24th July, 2014, not liable to retire by rotation.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution: **“RESOLVED that** in partial modification of the Special Resolution passed at the 21st Annual General Meeting of the Company held on 29th July, 2011 and pursuant to the provisions of sections 197, 198 and all other applicable provisions of the Companies Act, 2013 (‘the Act’), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other rules as may be applicable, and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the revised remuneration payable to Mr. Ramesh Iyer, as Managing Director of the Company with effect from 1st August, 2014 for the remainder of his term of office, i.e. upto 29th April, 2016, on the following revised terms and conditions:

**Salary :** In the scale of Rs. 4,00,000 per month to Rs. 8,00,000 per month.

**Perquisites:**

1. In addition to the salary, the Managing Director shall also be entitled to perquisites (including allowances) which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, performance award, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities in accordance with the Rules of the Company.
2. The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
3. Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
4. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
5. Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

**Commission:**

In addition to the salary and perquisites, the Managing Director would be entitled to such commission based on the net profits of the Company in any financial year not exceeding one-fourth per cent of such profits as the Nomination and Remuneration Committee shall decide, having regard to the performance of the Company.

Provided that the remuneration payable to the Managing Director (including salary, commission, perquisites, allowances, benefits and amenities) shall not exceed the limits laid down in sections 197 and 198 of the Act read with the Rules framed thereunder including any statutory modifications or re-enactment thereof.

**FURTHER RESOLVED that** the approval of the Company be accorded to Board of Directors [which term shall also include the ‘Nomination and Remuneration Committee’] to revise the terms of the said remuneration within the limits as mentioned above.

**FURTHER RESOLVED** that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

**FURTHER RESOLVED** that for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard.”

**Notes:**

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of Item Nos. 5 to 9 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
5. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited having their office at Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081.
6. The Register of Members and Transfer Books of the Company will be closed from Saturday, 5th July, 2014 to Thursday, 24th July, 2014 (both days inclusive).
7. The dividend, if declared at the Annual General Meeting, will be credited/dispatched between 25th July, 2014 and 1st August, 2014 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 4th July, 2014 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 4th July, 2014.
8. Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the provisions of section 205C of the Companies Act, 1956 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the Company has transferred an amount of Rs. 3,38,310 in August, 2013 to the IEPF, being the unclaimed dividend for the Financial Year 2005-06 and no claim lies against the Company in respect thereof. An amount of Rs. 1,41,722 towards unclaimed interim dividend for the Financial Year 2006-07 is due for transfer to the IEPF on or before 29th April, 2014.
9. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2006-07 and thereafter to the IEPF:

Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid/unclaimed Dividend
31st March, 2007	23rd July, 2007	22nd August, 2014
31st March, 2008	23rd July, 2008	22nd August, 2015
31st March, 2009	27th July, 2009	26th August, 2016
31st March, 2010	23rd July, 2010	22nd August, 2017
31st March, 2011	29th July, 2011	28th August, 2018
31st March, 2012	27th July, 2012	26th August, 2019
31st March, 2013	25th July, 2013	24th August, 2020

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Karvy Computershare Private Limited well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts [as referred to in section 205C(2)] lying with the Company as on 25th July, 2013 (date of the last Annual General Meeting of the Company) on the website of the Company viz. <http://www.mahindrafinance.com> as well as on the website of the Ministry of Corporate Affairs viz. <http://www.iepf.gov.in>.

The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said websites and lodge their claim with the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited, before the same is due for transfer to the IEPF.

11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to Karvy Computershare Private Limited having their office at Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081.
12. To enable direct credit of the dividend amount into the Bank Account as per the Securities and Exchange Board of India circular dated 21st March, 2013, the Members are requested to update with their Depository Participant, the active Bank Account details (including 9 digit MICR Code and 11 digit IFSC Code), in case the holding is in dematerialized mode. In case the shares are held in physical mode, the said details may be communicated to the Registrar & Share Transfer Agents, by quoting the Reference Folio No., and attaching a photocopy of the cheque leaf of the active Bank Account and a self attested copy of the PAN card.
13. Members are requested to:
- intimate to the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in electronic/dematerialised form;
  - quote their folio numbers/Client ID/DP ID in all correspondence;
  - consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
14. Pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, the Annual Report for the year 2013 -14, Notice for the Annual General Meeting (AGM), etc., are being sent in electronic mode to such of the Members of the Company whose e-mail addresses are available with the Company/Depository Participant and who have not opted to receive the same in physical form.

Members are requested to support the Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Computershare Private Limited (in case of Shares held in physical form).

15. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2013 -14 will also be available on the Company's website <http://www.mahindrafinance.com/annual-reports.aspx> for their download. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investorhelpline\\_mmfsl@mahindra.com](mailto:investorhelpline_mmfsl@mahindra.com).
16. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

## 17. Appointment of Directors

Mr. Piyush Mankad, Mr. M. G. Bhide, Mr. Dhananjay Mungale and Ms. Rama Bijapurkar, each hold 50,000 Equity Shares of Rs.2 each in the Company.

None of the Directors of the Company is inter-se related to each other.

In respect of the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed, Members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.

## 18. Voting through electronic means

In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its Members the facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and any or all of the businesses specified in the accompanied notice may be transacted through e-Voting Services provided by Karvy Computershare Private Limited (Karvy).

- (a) Date and time of commencement of voting through electronic means : 18th July, 2014 at 10.00 a.m.
- (b) Date and time of end of voting through electronic means beyond which voting will not be allowed: 20th July, 2014 at 6.00 p.m.
- (c) Details of Website: <https://evoting.karvy.com>
- (d) Details of persons to be contacted for issues relating to e-voting: Karvy Computershare Private Limited  
Unit : Mahindra & Mahindra Financial Services Limited  
Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081.  
Tel. No.: +91 40 44655000; Toll Free No.: 18003454001  
Fax No. : +91 40 23420814; E-mail : [evoting@karvy.com](mailto:evoting@karvy.com).
- (e) Details of Scrutinizer: Mr. S. N. Ananthasubramanian, Practising Company Secretary, or failing him, Ms. Malati Kumar, Practising Company Secretary.

The instructions for e-voting are as under :

1. **A. In case of Members receiving an email from Karvy [for members whose emails are registered with the Company/Depository Participant] :**
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No./DP ID - Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the E-Voting Event Number for Mahindra & Mahindra Financial Services Limited.
  - vii. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date i.e. 4th July, 2014 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: **scrutinizer@snaco.net** with a copy to **evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- B. In case of Members receiving physical copy of the Notice of AGM and Attendance Slip [for members whose emails are not registered with the Company/Depository Participant or requesting physical copy] :**
- i. Launch internet browser by typing the URL: **https://evoting.karvy.com**
  - ii. Initial Password is provided in the Attendance Slip.
  - iii. Please follow all the steps from (iii) to (xii) as mentioned in (A) above, to cast your vote.
2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
  3. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website **https://evoting.karvy.com**.
  4. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date, being Friday, 4th July, 2014.
  5. Mr. S. N. Ananthasubramanian, Practising Company Secretary, or failing him, Ms. Malati Kumar, Practising Company Secretary have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  6. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  7. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
  8. The Results declared along with the Scrutinizer's Report will be available on the website of the Company (**www.mahindrafinance.com**) and on Karvy's website (**https://evoting.karvy.com**) within two (2) days of passing of the resolutions and shall also be communicated to BSE Limited and the National Stock Exchange of India Limited.

**By Order of the Board**

**Arnavaz M. Pardiwala**  
Company Secretary

**Registered Office :**

Gateway Building,  
Apollo Bunder,  
Mumbai - 400 001.  
23rd April, 2014

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **ITEM NOS. 5 TO 8:**

Pursuant to the provisions of section 149 of the Companies Act, 2013 ('the Act'), the Board of Directors of the Company should have at least one-third of the total number of Directors as Independent Directors. The tenure of the Independent Directors will be for a period of five years and the provisions relating to retirement of Directors by rotation shall not be applicable to Independent Directors.

Pursuant to Clause 49(I)(A) of the Listing Agreement, if the Chairman of the Company is a Non-Executive Director, at least one-third of the Board shall comprise of Independent Directors.

The Board recommends the appointment of Mr. Piyush Mankad, Mr. M. G. Bhide, Mr. Dhananjay Mungale and Ms. Rama Bijapurkar, as Independent Directors, in accordance with the provisions of section 149 read with Schedule IV to the Act, to hold office for a term upto five consecutive years on the Board of Directors of the Company with effect from the date of the Annual General Meeting.

The Company has received Notices in writing from Members along with the requisite deposit in accordance with section 160 of the Act, proposing the candidature of Mr. Piyush Mankad, Mr. M. G. Bhide, Mr. Dhananjay Mungale and Ms. Rama Bijapurkar respectively, as Independent Directors.

The Company has also received the declarations from the abovementioned Independent Directors to the effect that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and Clause 49 of the Listing Agreement.

In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act read with the relevant Rules and the Listing Agreement, for their respective appointment as Independent Director and they are independent of management.

Brief Profile of the Independent Directors to be appointed, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and membership/chairmanship of Board Committees, shareholding in the Company, etc., as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the Corporate Governance Report forming part of the Annual Report.

The Board considers that the expertise and knowledge of the abovementioned Directors would be of immense benefit and value to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the Ordinary Resolutions in relation to appointment of Mr. Piyush Mankad, Mr. M. G. Bhide, Mr. Dhananjay Mungale and Ms. Rama Bijapurkar as Independent Directors, for approval by the shareholders of the Company.

All the Independent Directors being appointees may be deemed to be interested in the Resolutions for their respective appointments as set out in Item Nos.5 to 8 of the Notice. The relatives of Mr. Piyush Mankad, Mr. M. G. Bhide, Mr. Dhananjay Mungale and Ms. Rama Bijapurkar may be deemed to be interested in the Resolutions set out respectively, at Item Nos. 5 to 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Except as provided above, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 5 to 8 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

### **ITEM NO. 9:**

Mr. Ramesh Iyer was re-appointed as the Managing Director of the Company by the Board of Directors at its Meeting held on 25th April, 2011 for a period of five years with effect from 30th April, 2011. The Shareholders at the Annual General Meeting of the Company held on 29th July, 2011 had approved the said re-appointment and remuneration payable to Mr. Ramesh Iyer as the Managing Director of the Company.

The Board of Directors of the Company at its Meeting held on 23rd April, 2014, has pursuant to the approval of the Nomination and Remuneration Committee and subject to the approval of the Shareholders, approved the revision in the remuneration payable to Mr. Ramesh Iyer as Managing Director of the Company with effect from 1st August, 2014 till the remainder of his term of office.

The business activities of the Company are increasing along with growth and opportunities in the Financial Services Sector. The Company is continuously expanding its financial services portfolio which now also includes personal loan, mutual fund distribution, financing commercial vehicles, construction equipments, SME financing and Invoice discounting. In view of the growing business activities of the Company, responsibilities of the Managing Director have considerably increased.

Considering the performance of the Company, the Managing Director's contribution towards the growth, his increasing responsibilities and trend in the industry, it is proposed to increase the remuneration payable to Mr. Ramesh Iyer, with effect from 1st August, 2014 for the remainder of his term of office i.e. upto 29th April, 2016.

The Memorandum setting out the terms of the revised remuneration of Mr. Ramesh Iyer as required under section 190 of the Companies Act, 2013 ('the Act') shall be open for inspection by the Members at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays.

Pursuant to section 197 and Schedule V to the Act pertaining to Managerial Remuneration, the revision in the remuneration payable to Mr. Ramesh Iyer as Managing Director of the Company is now being placed before the Shareholders in the Annual General Meeting for their approval by way of a Special Resolution.

Your Directors recommend this resolution as a Special Resolution for approval of the Shareholders.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Ramesh Iyer to whom the Resolution relates, is concerned or interested, financially or otherwise, in the resolution set out at Item No.9.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below :

#### I. GENERAL INFORMATION :

- i) Nature of Industry :  
The Company is a Non-Banking Financial Company engaged in providing finance for new and pre-owned auto and utility vehicles, tractors, cars and commercial vehicles.
- ii) Date or expected date of commencement of commercial production :  
The Company was incorporated on 1st January, 1991 and commenced business operations on 19th February, 1991.
- iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
- iv) Financial performance based on given indicators – as per audited financial results for the year ended 31st March, 2014:

Particulars	Rupees (in crores)
Turnover and Other Income	4,953
Net Profit as per Statement of Profit and Loss (after Tax)	887
Profit as computed under section 309(5) read with section 198 of the Companies Act, 1956	1,574
Net Worth	5,094

- v) Foreign Investments or collaborations, if any :  
The Company has made a cumulative investment of Rs. 78 crores as on 31st March, 2014 in Mahindra Finance USA LLC, a joint venture between De Lage Landen Financial Services Inc., and the Company.

#### II. INFORMATION ABOUT THE APPOINTEE :

- i) Background details  
Mr. Ramesh Iyer has been the Managing Director of the Company with effect from 30th April 2001 and has been associated with the Company since inception. He comes with a wealth of experience in matters relating to business development, finance and marketing with a total work experience of 34 years. He holds a Bachelor's Degree in Commerce and a Master's Degree in Business Administration.

Mr. Ramesh Iyer is also a member of the Group Executive Board of Mahindra & Mahindra Limited, the holding Company, and is on the Board of the following Companies :

Mahindra Insurance Brokers Limited  
 Mahindra Rural Housing Finance Limited - (Chairman)  
 Mahindra Business & Consulting Services Private Limited - (Chairman)  
 Mahindra Asset Management Company Private Limited - (Chairman)  
 Mahindra First Choice Services Limited  
 Mahindra First Choice Wheels Limited  
 NBS International Limited  
 Mahindra & Mahindra South Africa (Pty.) Ltd.  
 Mahindra Finance USA, LLC.



Mr. Iyer is a Chairman/Member of the following Committees :

Audit Committee	Mahindra Insurance Brokers Limited
	Mahindra Rural Housing Finance Limited - (Chairman)
	Mahindra First Choice Wheels Limited - (Chairman)
	Mahindra First Choice Services Limited - (Chairman)
Stakeholders Relationship Committee (earlier known as 'Share Transfer & Shareholders/ Investors Grievance Committee')	Mahindra & Mahindra Financial Services Limited
Nomination and Remuneration Committee (earlier known as 'Remuneration/ Compensation Committee')	Mahindra Insurance Brokers Limited
	Mahindra Rural Housing Finance Limited
	Mahindra First Choice Wheels Limited
	Mahindra First Choice Services Limited
Corporate Social Responsibility Committee	Mahindra & Mahindra Financial Services Limited
	Mahindra Insurance Brokers Limited
	Mahindra Rural Housing Finance Limited

Mr. Iyer holds membership in various committees in the industry like Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Bombay Chamber of Commerce and Industry (BCCI), Finance Industry Development Council (FIDC) and Committee on Comprehensive Financial Services (CCFS).

Mr. Iyer has successfully completed Senior Executive programmes conducted by leading national and international education institutes like IMD, Switzerland; ISB, Hyderabad; IIM, Bangalore; Michigan Business School, USA and Harvard Business School, Boston.

Mr. Iyer has had an illustrious career marked by numerous awards and accolades. He has received an award as one of the finalists for "The Outstanding CEO Category" by CEO India Magazine, Delhi in the year 2014. He has also received an award – "Hall of Fame : 2014 IMM – JJ Awards for Excellence: Best CEO" by the Institute of Marketing & Management (IMM), Delhi in the year 2014. He has also won as one of the 16 finalists for the prestigious 15th EY Entrepreneur of the Year (EOY) Awards 2013. He has won the Indian Achievers Award for Corporate Leadership by Indian Achievers Forum. He was also conferred the Business Leadership Award by the Institute of Economic Studies, New Delhi. His leadership was lauded with the 'CEO with HR Orientation' Award by Employer Branding Institute, CMO Asia, with their Strategic Partner CMO Council. In addition, he has also received the Udyog Rattan Award by the Institute of Economic Studies, New Delhi; the Rashtriya Udyog Pratibha Award by the Council for Economic Growth & Research, Pune; and the Bhartiya Udyog Ratna Award by the National Education & Human Resource Development Organisation, Mumbai. Mr. Ramesh Iyer has also featured in Business World's special report on India's Most 'Valuable' CEOs. He's ranked no. 5 out of 65 in the list of Mid-Sized Companies (Revenues: Rs. 1,000 – Rs.3,000 cr.) category and at no. 6 out of 65 in the same category, based on its One-Year Performance. He is also ranked no. 20 out of 100, based on the Company's Five Year Performance and no. 3 out of 12, based on the rankings in the Financial Sector.

ii) Past remuneration during the financial year ended 31st March, 2014 :  
Rs. 2.75 crores.

iii) Recognition or Awards :  
The information is already covered in the section "Background details".

iv) Job Profile and his suitability :

Mr. Ramesh Iyer has been the Managing Director of the Company since 30th April, 2001 and has been associated with the Company since its inception. The turnover and profits of the Company have been increasing consistently over the years. The growth in the Company's operations can to a very large extent be attributable to the dynamism and relentless efforts set by Mr. Ramesh Iyer, Managing Director. Several new initiatives have been and are being taken to further the growth and the profitability of the Company. Taking into consideration his qualifications and expertise, Mr. Ramesh Iyer is best suited for the responsibilities currently assigned to him by the Board of Directors of the Company.

v) Remuneration Proposed :

Salary in the scale of Rs. 4,00,000 per month to Rs. 8,00,000 per month with effect from 1st August, 2014 and other perquisites, allowances and commission as fully set out in Item No. 9 of the Notice.

vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) :

Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies in the industry.

vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :

Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

**III. OTHER INFORMATION :**

i) Reasons of loss or inadequate profits :

Not applicable as the Company has posted a net profit after tax of Rs. 887 crores for the year ended 31st March, 2014.

ii) Steps taken or proposed to be taken for improvement and

iii) Expected increase in productivity and profits in measurable terms :

Not applicable as the Company has adequate profits. The Company posted a profit before tax of Rs. 1,346 crores for the year ended 31st March, 2014.

**IV. DISCLOSURES :**

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Details of Remuneration paid to Directors for Financial Year 2013-14".

**By Order of the Board**

**Arnavaz M. Pardiwala**

Company Secretary

**Registered Office :**

Gateway Building,

Apollo Bunder,

Mumbai - 400 001.

23rd April, 2014

# Mahindra FINANCE

## MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Corporate Identity Number : L65921MH1991PLC059642

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

Website: www.mahindrafinance.com; email: investorhelpline\_mmfsf@mahindra.com

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders desiring to attend the Meeting may obtain additional Attendance Slips on request, provided such request is received by the Company/Registrar & Transfer Agents, Karvy Computershare Private Limited at Plot No. 17-24 Vittalrao Nagar, Madhapur, Hyderabad - 500 081 before 14<sup>th</sup> July, 2014.

Name & Registered Address :  
of the Shareholder

Folio No. :

DP ID. :

Client ID :

No. of Shares :

I hereby record my presence at the **TWENTY-FOURTH ANNUAL GENERAL MEETING** of the Company being held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, next to Sachivalaya Gymkhana, Mumbai – 400 021 on Thursday, the **24th day of July, 2014 at 3.30 p.m.**

Name(s) of the Shareholder(s)/ Representative/Proxy (IN BLOCK CAPITALS)	
Signature(s) of the Shareholder(s)/ Representative/Proxy	

**NOTE:** You are requested to bring your copy of the Annual Report to the Meeting.

### ELECTRONIC VOTING PARTICULARS

Shareholders may please note the user id and password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration), Rules, 2014. Detailed instructions for e-voting are given in Note No. 18 of the AGM Notice.

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>

# Mahindra FINANCE

## MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

Corporate Identity Number : L65921MH1991PLC059642

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

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

Website: www.mahindrafinance.com; email: investorhelpline\_mmfsl@mahindra.com

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

Registered Address of the Member: .....

.....

E-mail id: ..... Folio No. / Client ID: ..... DP ID: .....

I/We, being the members of MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED holding \_\_\_\_\_ Equity Shares hereby appoint :

1. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

or failing him

2. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

or failing him

3. Name: ..... E-mail Id: .....

Address: .....

..... Signature: .....

as my/our Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the **Twenty-Fourth Annual General Meeting** of the Company to be held on Thursday, 24<sup>th</sup> July, 2014 at 3.30 p.m. at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, next to Sachivalaya Gymkhana, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sr. No.	Resolutions
1.	Consider and adopt the Audited Financial Statements for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.
2.	Declaration of Dividend on Equity Shares.
3.	Resolved not to fill the vacancy caused by the retirement of Dr. Pawan Kumar Goenka, Director, who retires by rotation and does not seek re-appointment.
4.	Re-appointment of Auditors and fixing their remuneration.
5.	Appointment of Mr. Piyush Mankad as an Independent Director.
6.	Appointment of Mr. M. G. Bhide as an Independent Director.
7.	Appointment of Mr. Dhananjay Mungale as an Independent Director.
8.	Appointment of Ms. Rama Bijapurkar as an Independent Director.
9.	Revision in the remuneration of Mr. Ramesh Iyer, Managing Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of Shareholder

Affix a  
15 paise  
Revenue  
Stamp

Signature of Proxy holder(s) : \_\_\_\_\_

#### NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights; provided that a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.