



## MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

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

**Website:** www.mahindrafinance.com • **email:** investorhelpline\_mmfsi@mahindra.com

Dear Member(s),

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

The Company proposes to increase its current borrowing limits from Rs.15,000 crores to Rs.20,000 crores in order to further expand its business activities and to meet its increased financial needs, as more specifically described in the Ordinary Resolution appended to this Notice. As per the provisions of Section 293(1)(d) of the Companies Act, 1956 ("the Act"), the Board of Directors of the Company cannot borrow moneys in excess of the aggregate of the paid-up capital of the Company and its free reserves without the approval of the Members by means of an Ordinary Resolution.

For this purpose, the Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s). In terms of Section 293(1)(a) of the Act, the creation of such charge, mortgage and hypothecation requires the approval of the Members by way of an Ordinary Resolution.

Further, in terms of Section 192A of the Act read with Clause 4(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001("the Rules"), any Resolution under Section 293(1)(a) of the Act for the sale of the whole, or substantially the whole of any such undertaking requires the approval of the Members of the Company by means of a Postal Ballot.

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

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

You are requested to carefully read the instructions printed in 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 9th June, 2011. The Scrutinizer will submit his Report to the Chairman after completion of the scrutiny of the Postal Ballots received. The Chairman or the Vice-Chairman or the Managing Director of the Company or the Company Secretary, will announce the Results of the Postal Ballot on Tuesday, the 14th day of June, 2011 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 published in the Newspaper(s) for the information of the Member(s).

### **DRAFT ORDINARY RESOLUTION :**

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

"RESOLVED that in supersession of the Resolution passed by the Shareholders at the Annual General Meeting of the Company held on 23rd July, 2010 and pursuant to the provisions of Sections 293(1)(a), 293(1)(d) and all other applicable provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, consent of the Company be accorded to the Board of Directors to borrow moneys from time to time and, if they think fit, for mortgaging or charging the Company's undertaking(s) and any property or any part thereof to secure such borrowings, upto a continuous limit for the time being and from time to time remaining undischarged of Rs.20,000 crores (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed at anytime, the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

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

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

