



MANAPPURAM FINANCE LIMITED

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POSTAL BALLOT NOTICE

Dear Member,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 ("Companies Act") read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules"), that the Company is seeking the consent of its members by way of Postal Ballot in respect of two businesses as mentioned in the Annexure to the notice. In terms of said Section and the Rules, a listed company may and in case of resolutions relating to such business as Central Government may, by notification, declare to be conducted only by Postal Ballot, shall, get any resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the company. Rule 5 of the Postal Ballot Rules specifies the list of businesses in which resolutions shall be passed only through Postal Ballot.

The Board of Directors of your Company have proposed to obtain the consent of the share holders for the following:

- 1) To mortgage and or charge all or any of the movable and or immovable properties of the company both present and future and or the whole or any part of the undertaking of the company in favour of the lenders for securing the borrowings of the company up to a aggregate limit of ₹.20,000 Crores (Rupees Twenty Thousand Crores Only).
- 2) To re-appoint/renew the term of office of Shri. V.P.Nandakumar, Managing Director & CEO of the Company for a further period of 5 years from 29th July, 2012 to 28th July, 2017.

In terms of Section 192A of the Companies Act, 1956 read with Postal Ballot Rules, in the case of item 1 above, it is mandatory to obtain the consent of share holders through Postal Ballot, whereas for item 2, it is not mandatory to obtain the consent of the shareholders by way of Postal Ballot. However, in order to facilitate wider participation in the approval process by shareholders residing at different locations it is proposed to obtain their consent by way of Postal Ballot for item 2 as well. The proposed resolutions along with explanatory statement under section 173(2) of the Companies Act, 1956 and a Postal Ballot Form is annexed herewith for your consideration. .

You are requested to convey your approval or otherwise on the Ballot Form sent herewith (no other form or photocopy thereof is permitted) and return the same to the scrutinizer at the Corporate Office so as to reach the Ballot Form on or before the 8th Day of April, 2013. *Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.*

Electronic Voting (e-voting)

Pursuant to Circular No. CIR/CFD/DIL/6/2012 dated July 13, 2012 of the Securities and Exchange Board of India (SEBI), the Company is pleased to offer the option of e-voting facility to all the shareholders. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable shareholders to cast their votes electronically instead of physical mode. E-voting is optional for shareholders. The shareholders who wish to vote by Postal Ballot Form (instead of e-voting), can download Postal Ballot Form from the Company's website www.manappuram.com. The detailed process and manner of e-voting is available at www.evotingindia.com

The Company has in compliance with Rule 6(b) of the Postal Ballot Rules, appointed Shri.V.K Kerala Varma, FCA, FCS, Practising Company Secretary, for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer will submit his report after completion of the scrutiny and the result of the Postal Ballot will be displayed at the Registered Office of the Company on 12th day of April, 2013. The results of the Postal Ballot will also be posted on the Company's website www.manappuram.com besides communicating to the stock exchanges on which the shares of the company are listed.

By order of the Board
Sd/-

Place : Valapad

Date : 11.02.2013

Encl:

1. Draft Resolution with Explanatory Statement
2. Postal Ballot Form and Self addressed postage pre paid envelope.

ANNEXURE TO THE NOTICE

Item No. 1: Mortgage and/or charge all or any of the movable and or immovable properties of the Company

To consider and, if thought fit to pass with or without modification, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT subject to the approval of Financial Institutions, Banks and pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act 1956 including any statutory modifications or re-enactments thereof, the company hereby accords its consent to mortgage and or charge in addition to the mortgages/charges created /to be created by the company in such form and manner and such ranking and at such time and on such terms as the Board may determine all or any of the movable and or immovable properties of the company both present and future and or the whole or any part of the undertaking of the company in favour of the lender, agent, trustees for securing the borrowings of the company availed/to be availed by way of loan in foreign currency and or in rupee currency and securities comprising of fully/partly convertible debentures and or secured premium notes and or floating rates notes, bonds or other debt instruments issued/ to be

issued by the company from time to time in one more tranches up to a aggregate limit of ₹.20,000 Crores (Rupees Twenty Thousand Crores Only) as approved under Section 293(1)(d) of the Companies Act, 1956 together with interest at the respective agreed rates additional interest and in case of default accumulated interest, liquidated damages, commitment charges on pre payment, remuneration of the agents and or trustees, premium if any on redemption all other costs charges and expenses including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other moneys payable by the company in terms of the respective loan agreement, debentures, trust deed or any other document entered into/ to be entered into between the company and the lenders, investors, agents and or trustees in respect of the said loans borrowings debentures and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board of directors or any committees thereof and the lenders agents and or trustees.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to finalize the documents and such other agreements for creation of charge as aforesaid and to do all such acts deeds matters and things as may be necessary and expedient and also to authorise/delegate its directors/officers for giving effect to the above resolution"

Item 2 - Reappointment/renewal of term of office of Mr. V.P.Nandakumar, Managing Director & CEO

To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the approval of the Company is hereby accorded under Sections 198, 269, 309, Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any, for the re-appointment of Shri.V.P. Nandakumar as Managing Director and Chief Executive Officer (MD&CEO) of the company for a period of five years with effect from 29th July 2012 as recommended by the Nomination, Compensation and Corporate Governance Committee and the Board of Directors at their meeting held on 10th January 2013 on the following terms and conditions.

Salary & allowances	: ₹ 15,00,000/- per month as Salary and ₹10,00,000/-per month towards allowances with effect from 29 th July, 2012.
Commission	: Not exceeding 1% of net profit of the Company calculated as per the provisions of Section 349 and 350 of the Companies Act, 1956. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time.
Retirement benefits / Perquisites	
Contribution to PF	: @ 12% of the monthly salary
Contribution to	: Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites)
Medical reimbursement expenses	: For self and family including premium payable for medical insurance in accordance with the rules of the Company.
Personal accident insurance	: As per the rules of the Company
Leave travel concession	: For self and family once in a year as per the rules of the Company
Fee for clubs	: Subject to maximum of two clubs excluding admission and life membership fees
Others	: 1. Provision of chauffeur driven car for official purposes and telephone at residence 2. Such other allowances, perquisites, benefits and amenities as may be provided by the Company to the senior management staff from time to time.

For the purposes of calculating the ceiling on remuneration, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.

The above said remuneration and perquisites shall be subject to the ceiling laid down in Section 198, 309, Schedule XIII and all other applicable provisions of the Companies Act, 1956, as may be amended from time to time.

FURTHER RESOLVED THAT in the event of loss, absence or inadequacy of profits in any financial year, the remuneration aforesaid shall be the minimum remuneration subject to the applicable provisions of section II of part II of Schedule XIII of the Companies Act, 1956. Any excess over the limits prescribed under the Companies Act, 1956 shall become payable with the approval of the Central Government wherever so required.

By order of the Board
Sd/-

Place : Valapad

Date : 11.02.2013

Rajesh Kumar. K
Company Secretary

Notes:

1. Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956, in respect of item 1 and 2 is annexed hereto.
2. You are requested to communicate your assent or dissent in writing in the Postal Ballot form sent herewith in accordance with the instructions therein set out through e-voting.
3. The Board of Directors at its meeting held on 10th January, 2013 has appointed Shri.V.K.Kerala Varna FCA, FCS, Practising Company Secretary as scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.
4. Postal Ballot form and the self addressed postage pre paid envelopes are enclosed for the use of members.
5. Members are requested to carefully read the instructions printed in the Postal Ballot form and return the form (No other form or photocopy thereof is permitted) duly completed in the attached self addressed envelope so as to reach the scrutiniser at the address of the Registered office of the company on or before 8th day of April, 2013.
6. Members who have not received the postal ballot either by may contact the company or Registrar and Transfer Agent for obtaining a duplicate copy thereof.

INSTRUKTOR FOR VOTING:

(A) For Voting through Physical Postal Ballot Form

1. The Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, before the closing of working hours on 8th day of April, 2013, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
2. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.

(B) For voting in electronic form (e-voting)

The Company is pleased to provide the e-voting facility as an alternate to the share holders, to enable them to cast their vote electronically instead of dispatching postal ballot. The procedure for the same is provided hereunder:

1. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
2. Now click on "Shareholders tab to cast your votes".
3. Now select the "Electronic Voting Sequence Number (EVSN) along with "MANAPPURAM FINANCE LIMITED" from the drop down menu and click on SUBMIT.
4. Now, fill up the following details in the appropriate boxes:
 - i. After entering these details appropriately, click on "SUBMIT".
 - ii. The individual members holding shares in physical form will reach directly to the voting screen. However members holding shares in DEMAT form will now be required to mandatorily change their password in the new Password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that the changed password can be used by the Demat Share Holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - iii. Members can also update their mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
 - iv. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
 - v. For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Postal Ballot Notice.
5. On voting page, you will see Resolution Description and option for voting YES/NO/ CANT SAY against Resolution Description. The option YES implies that you assent to the Resolution, NO implies that you dissent to the Resolution and CANT SAY implies that you are not sure or don't want to vote for that resolution.
6. Click on the Resolution File Link if you wish to view the entire resolution file.
7. Enter the number of shares (which represents number of votes) under YES/NO/CANT SAY or alternatively you may partially enter any number in YES, partially in NO and partially in CANT SAY, but the total number in YES, NO and CANT SAY taken together should not exceed your total shareholding.
8. After selecting the resolution you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change to vote, click on CANCEL and accordingly modify your vote.

9. Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.
10. Kindly note that, members can opt only one mode of voting i.e, either by physical ballot or by e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice-versa. In case, member(s) cast their vote both via physical ballot and e-voting then voting done through physical ballot shall prevail and voting done by e-voting shall be treated as invalid.
11. Institutional members (i.e. other than individuals, HUF, NRI etc.) are 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 e-mail at vkvarma76@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
12. If you wish to provide your feedback on the e-voting system or you have any queries or issues regarding e-voting please contact helpdesk.evoting@cdslindia.com or cosecretary@manappuram.com.

User – ID	For the Members holding shares in Demat Form a) For NSDL – 8 Character DP ID followed by 8 digits Client ID. b) For CDSL – 16 digits beneficiary ID For the Members holding shares in Physical Form Folio number registered with the Company.
Password	Your unique Password is printed on the Postal Ballot Form
PAN*	Enter your 10 digit alpha numeric Permanent Account Number issued by Income tax Department In case of shares held in Physical Form enter the Postal Ballot Serial No. printed on the Postal Ballot

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.1

According Section 293(1)(a) and Section 192A of the Companies Act, 1956 read with the Companies (passing of resolutions by Postal Ballot) Rules 2011 approval of the shareholders by way of an Ordinary Resolution through Postal Ballot/e-voting is required for sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company is required to create charges over its assets, movable and immovable properties by way of hypothecation, mortgage, or otherwise in favour of its lenders for the purpose of securing the loan facilities extended/ to be extended by the lenders to the Company. Hence, the assets of the Company both movable and immovable may be given as security to the lenders for securing the repayment of money advanced/to be advanced and thereby the lenders will have a right over the assets of the Company including the right to sell or dispose of the same upon occurrence of default under the relevant loan agreements and other documents as may be executed by the Company with them. Therefore, creation of charges as aforesaid would amount to sale/ disposal of the whole or substantially the whole of the undertaking of the company within the meaning of Section 293(1)(a).

The company has been sanctioned term loans, working capitals facilities from financial institutions, banks and also foresees the debt funding to part finance the expansion and hence the above ordinary resolution is being proposed for approval of shareholders.

The board recommends that the share holders may pass the resolution as an **ordinary resolution** in the best interest of the company. None of the directors are personally interested or concerned in the resolution.

Item No.2

Shri V.P Nandakumar was appointed as the Chairman and Managing Director of the Company for a period of five years at the Annual General Meeting held on 08th September 2007 with effect from 29th July 2007. The Board further varied his terms of appointment and designation as Executive Chairman at its meeting held on 30th April, 2009 and the same was approved by Members at the Annual General Meeting held on 17th August 2009. Further, the Board at its meeting held on 18th May 2012 re-designated Shri. Nandakumar as the Managing Director and Chief Executive Officer of the Company. Now, the Board at its meeting held on 10th January 2013 renewed his term for a period of 5 years with effect from 29th July, 2012 on a monthly remuneration of Rs.15.lacs as Salary and Rs.10.lacs towards allowances with effect from that date of appointment and remuneration of managerial personnel shall be in accordance with the provisions of Section 198,269,309,310,316,317 read with Schedule XIII of the Act, The re-appointment and the terms of appointment of Shri. V.P Nandakumar is in line with the above said provisions of the Act.

Your Directors recommend passing the resolution as an **Ordinary Resolution**.

Except Shri V.P Nandakumar, no other director is interested or concerned in the resolution.

By order of the Board

Sd/-

Place : Valapad

Date : 11.02.2013

Rajesh Kumar. K
Company Secretary