

POSTAL BALLOT NOTICE

Dear Member(s)

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read together with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), that the resolutions appended below are proposed to be passed by the Members through postal ballot. The explanatory statement pertaining to the aforesaid resolutions setting out the material fact concerning each item and the reasons thereof is annexed hereto with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. Chandrashekhar V. Kulkarni, Practicing company secretary, (Membership No. F3342 and CP No. 2792) proprietor of M/s. C. V. Kulkarni & Co. as the Scrutinizer ('Scrutinizer') for conducting the postal ballot in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed business reply envelope not later than 17:00 hours IST on June 21, 2022. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent at the expense of the Member(s), will also be accepted. The Postal Ballot Forms(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that if any Postal Ballot Form is received after the said date, it will be considered that no reply has been received from the member.

The Scrutinizer will submit his report to the Chairman or to any other authorized person of the Company after the completion of the scrutiny of the postal ballot. The result of the postal ballot shall be declared on or before June 28, 2022 and communicated to the depository and shall also be displayed on the Company's Website: <https://magfinserv.in/>

FOR MAG FINSERV COMPANY LIMITED

ANANTA MOHOTKAR
MANAGING DIRECTOR
DIN:00568235

DATE:11/05/2022

PLACE: PUNE

SPECIAL BUSINESS :

Item No: 1 CHANGE IN THE TERMS OF EXISTING PREFERENCE SHARES

To pass with or without modification following resolution as a special resolution

“RESOLVED THAT, pursuant to the provision of Section 48 of the Companies Act, 2013 read with Companies (incorporation) rules, 2014 and any other applicable provisions, if any, and in accordance to approval of Board of Directors and subject to the approval of the members of the company through postal ballot, the consent of the Shareholders of the company (i.e. both existing equity and preference shareholders) be and is hereby accorded to vary the rights, terms and conditions of the existing authorized 80,00,000 (Eighty Lacs) Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each as under.

1) 80,00,000 (Eighty Lacs) 2% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under:

- A) These Preference shares will carry preferential right to dividend @2% per annum on declaration by the Board of directors of the Company.
- B) These Preference shares will be converted at PAR within Five (5) years from the date of reclassification.
- C) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, prevalent at the time of conversion

and accordingly, Reclassification of existing issued and paid up 67,79,500 (Sixty-seven lacs seventy-nine thousand five hundred) Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each into 6,779,500 (Sixty-seven lacs seventy-nine thousand five hundred) 2% Non-Cumulative Compulsorily Convertible Preference Shares with effect from June 28, 2022 and such shares will be converted into equity shares within five years from the date of such reclassification

That such Non Cumulative Compulsorily Convertible Preference Shares will be converted into equity shares as per valuation done at the time of conversion at such rate determined by a Registered Valuer and as per the Rules and Regulations, prevalent at the time of conversion;

Save as mentioned hereinabove, all other terms and conditions of the said Preference shares shall remain the same.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other Officer(s).”

Item No. 2 - Alteration of Authorized Share Capital Structure of the Company consequent upon reclassification of preference shares

To pass with or without modification following resolution as an ordinary resolution

“RESOLVED THAT pursuant to the provision of section 61 and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification (s) or re-enactment thereof for the time being in force and the Articles of Association of the company, consent of the shareholders of the company be and is hereby given by the ordinary Resolution, which is to be passed through postal ballot, the existing authorized share capital of the company be reclassified from

The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion.

to

The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) 2% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under:

- 1) These Preference shares will carry preferential right to dividend @2% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR within Five (5) years from the date of reclassification.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, prevalent at the time of conversion and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s).”

Item No. 3 - Alteration of Memorandum of Association with respect to its Capital Clause consequent upon reclassification of preference shares

To pass with or without modification following resolution as an ordinary resolution

“RESOLVED THAT, pursuant to the provision of Section 13 & 61 of the Companies Act, 2013 read with Companies (incorporation) rules, 2014 and any other applicable provisions, if any, and in accordance to approval of Board of Directors and subject to the approval of the members of the company through postal ballot, the Memorandum of Association with reference to Clause V i.e. the words and figures “The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion.

Following shall be substituted by the following words and figures.

The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) 2% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under:

- 1) These Preference shares will carry preferential right to dividend @2% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR within Five (5) years from the date of reclassification.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, prevalent at the time of conversion and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion.

Item No, 4 - Alteration of Articles of Association– Alteration of Article 6(a) consequent upon reclassification of preference shares

To pass with or without modification following resolution as a special resolution

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, in Articles No. 6(a) of the Articles of Association of the Company for the words and figures the words and figures "The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion.

Following shall be substituted by the following words and figures.

The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) 2% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under:

- 1) These Preference shares will carry preferential right to dividend @2% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR within Five (5) years from the date of reclassification.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, prevalent at the time of conversion and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion. "

FOR MAG FINSERV COMPANY LIMITED

**ANANTA MOHOTKAR
MANAGING DIRECTOR
DIN: 00568235**

**DATE: 11/05/2022
PLACE:PUNE**

Notes:

1. The explanatory statement pursuant to Section 102(1) of the Act stating all material facts and the reasons for the postal is annexed herewith.
2. The Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelope is being sent to the Members whose names appear on the Register of Members of the Company.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on May 16, 2022 will be considered for the purpose of voting. A person who is not a Member as on the relevant date should treat this notice for information purposes only.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. As on the date the Company is having less than 1000 members. The Sub section (2) of Rule 20 of Rules, 2014, is not applicable to the Company. That every listed company or a company having not less than 1000 shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic mean. The postal ballot voting will be not carried through remote e-voting system. The members of the Company can only opt physical ballot mode of voting.
6. In case a Member wishes to obtain a printed Postal Ballot for a duplicate, he or she may send an email to account@magfinserv.in. The Company shall forward the same along with Business reply envelope to the Member.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members May 16, 2022 (cut-off date). The postal ballot period commences on May 22, 2022 (09:00 Hours IST) and ends on June 21, 2022 (17:00 Hours IST).
8. In case of joint holding, the Ballot Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. There will be one Ballot Form for every Folio / Client ID irrespective of the number of joint holders.
9. A member cannot exercise his vote by proxy on postal ballot.
10. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than the close of working hours (i.e. 17:00 Hours IST) on June 21, 2022. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. If any postal ballot is received after 17:00 hours IST on June 21, 2022 it will be considered that no reply from the Member has been received. The Board of Directors of the Company has appointed Mr. Chandrashekhar V. Kulkarni, Practicing company secretary, (Membership No. F3342 and CP No. 2792) proprietor of M/s. C. V. Kulkarni & Co. as the Scrutinizer ('Scrutinizer') for conducting the postal ballot in a fair and transparent manner.
11. Unsigned, incomplete, improperly or incorrectly tick marked ballot forms will be rejected. A Ballot Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it

difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.

12. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matters shall be final.

13. The Scrutinizer will submit his report to the Chairman or any authorized person after the completion of scrutiny, and the result of the postal ballot will be announced by the Chairman or any authorized person of the Company duly authorized, on or before June 28, 2022 at the registered office of the Company and will also be displayed on the Company website (<https://magfinserv.in/>), and communicated to the depository, registrar and share transfer agent on the said date.

14. The last date for the receipt of duly completed Postal Ballot Forms shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by postal ballot .

15. Members are requested to send their duly completed and signed form in the enclosed Business Reply Envelope to the Scrutinizer's office at **C.V.Kulkarni & Co. Company Secretaries Flat No.2, B-Wing, Suyash Apartments, 769 / 770, Sadashiv Peth, Barrister Gadgil Street, Pune - 411 030 Maharashtra - India.**

16. All documents referred to in the above Notice and the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 AM and 5.00 PM on all working days (except Sundays and Holidays) upto the date of announcement of the results on Postal Ballot.

ANNEXURE TO THE NOTICE

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

In terms of Section 102 (1) of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to item nos. 1, 2, 3 & 4 of the accompanying notice dated May 11, 2022.

Item no: 1

Company wish to change the terms of repayment of preference shares from Non Cumulative redeemable preference shares into 2% Non Cumulative Compulsorily Convertible preference Shares

It is proposed to vary rights, terms and conditions of Existing authorized & paid up -Non Cumulative redeemable preference shares.

Reclassification of existing Authorised 80,00,000/- (Eighty Lacs) Non Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) into 80,00,000 (Eighty Lacs) 2% Non Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only).

and accordingly, Reclassification of existing issued and paid up 67,79,500 (Sixty-seven lacs seventy-nine thousand five hundred) Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten only) each into 6,779,500 (Sixty-seven lacs seventy-nine thousand five hundred) 2% Non-Cumulative Compulsorily Convertible Preference Shares with effect from June 28, 2022 and such shares will be converted into equity shares within five years from the date of such reclassification

That such Non Cumulative Compulsorily Convertible Preference Shares will be converted into equity shares as per valuation done at the time of conversion at such rate determined by a Registered Valuer and as per the Rules and Regulations, prevalent at the time of conversion;

Section 48 of the Companies Act, 2013 states that the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class and if such variation by one class of Shareholders affects the rights of any other class of Shareholders, the consent of three-fourths of such other class of Shareholders shall also be obtained.

As per Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration rules) 2014, the consent of the Shareholders for the above purpose is required to be obtained by means of a Special Resolution through Postal Ballot.

Therefore the approval of preference shareholders as well as approval of equity shareholders intend to convert Non Cumulative Redeemable Preference Shares into 2% Non Cumulative Compulsorily Convertible Preference Shares to convert them into equity shares within five years from such reclassification and as per valuation done at the time of conversion at such rate determined by a Registered Valuer and as per the Rules and Regulations, prevalent at the time of conversion.

Upon passing of special resolution by shareholders for reclassification of existing preference shares, following is the new capital structure of reclassified preference share.

80,00,000 (Eighty Lacs) 2% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under:

- 1) These Preference shares will carry preferential right to dividend @2% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR within Five (5) years from the date of reclassification.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, prevalent at the time of conversion

The directors of the company are deemed to be interested in this resolution to the extent they hold preference shares in the company.

ITEM NO. 2,3 AND 4

The Resolution at item no 2 is for the purpose of seeking the approval of the members to the aforesaid restructure in the authorized share capital. The Ordinary resolution at item No. 3 and special resolution at item no.4 of the notice are for the purpose of amending the capital clause of the Memorandum of Association and Articles of Association respectively, consequent upon the restructure in the authorized share capital.

The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and 80,00,000 (Eighty Lacs) Non-Cumulative Redeemable Preference Shares of Rs.10/- (Rupees Ten only) each and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion.

Following shall be substituted by the following words and figures.

The Authorized Share Capital of the Company is Rs. 300,000,000/- (Rupees Thirty Crore) divided into 120,00,000 (One crore twenty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each ranking pari passu with the existing Equity Shares and

80,00,000 (Eighty Lacs) 2% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under:

- 1) These Preference shares will carry preferential right to dividend @2% per annum on declaration by the Board of directors of the Company.

- 2) These Preference shares will be converted at PAR within Five (5) years from the date of reclassification.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, prevalent at the time of conversion and 100,00,000 (One crore) 16.775% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each with differential rights as under.

New Class of preference shares:

- 1) These Preference shares will carry preferential right to dividend @16.775% per annum on declaration by the Board of directors of the Company.
- 2) These Preference shares will be converted at PAR after Nineteen (19) years from the date of allotment or at earlier if decided by the Board of Directors.
- 3) Number of equity shares to be issued on conversion, will be based on value of equity as determined by Independent Registered Valuer as defined in the Companies (Registered Valuers and Valuation) Rules, 2017 as amended, at the time of conversion. ”

**BY ORDER OF THE BOARD OF DIRECTORS
FOR MAG FINSERV COMPANY LIMITED**

**ANANTA MOHOTKAR
MANAGING DIRECTOR
DIN:00568235**

**DATE: 11/05/2022
PLACE:PUNE**