

Minutes of the 29th Annual General Meeting of the Members of Manipal Finance Corporation Ltd. held on Friday, the 17th August, 2012 at 3.30 p.m. in the Company's Regd. Office: "Manipal House", Manipal 576 104.

Present: Sri T Narayan M Pai, Managing Director

AND

14 members in person;

Since the office of Chairman is vacant, the Members present, unanimously elected Sri T Narayan M Pai, Managing Director, as Chairman to preside over the meeting. Thereupon, Sri T Narayan M Pai, Managing Director took the chair and welcomed the Directors and other members present in their 29th Annual General Meeting.

The requisite quorum being present, Chairman called the meeting to order and initiated the Annual General Meeting proceedings.

1. The Notice convening the meeting was taken as read with the consent of the members present.
2. The Chairman announced that the Register of Directors' Shareholding was placed on the table at the meeting for the Members' inspection.
3. He introduced the Directors present to the members.
4. Sri Ganapathi Bhat to read the Auditors' Report.
5. The Chairman addressed the shareholders as follows:

"Dear Shareholders,

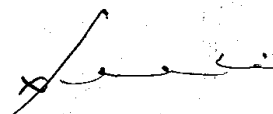
The Report of the Board of Directors and the Audited Financial Statements have already been sent individually to all the Shareholders and with your permission I take them as read.

The audited financial results of the Company for the year ended 31.03.2012 is reported to you through the "Directors' Report".

Scheme of Compromise/Arrangement with the Creditors:

During the year ending 31st March, 2005 the Scheme of Compromise and Arrangement under Section 391 of the Companies Act, 1956 to effect the restructure of Company's debts particularly Debentures and subordinated debts of the Company was framed and presented before the Honorable High Court of Karnataka. Accordingly, the meeting of the Shareholders, Debenture Holders and Subordinated Debt holders were held on 20th April, 2005. The scheme as proposed had provided for payment of principal in a phased manner over 60 months from effective date and payment of interest accrued till 30th June, 2002 within 72 months from the effective date. The Scheme as proposed do not provide for accrual of interest after 30th June, 2002. (For the above purpose the effective date means the date on which the Order of High Court of Karnataka sanctioning the Scheme of Arrangement is filed with the Registrar of Companies in Karnataka.)

On 10th July 2009, Honorable High Court of Karnataka has directed the Company to submit the details of payments made to Non-Convertible Debenture holders and subordinated debt holders from 1st April, 2005. Accordingly the details were furnished to Honorable Court. It was submitted before the Honorable Court that the Company has settled substantial portion of Non-Convertible Debentures and Subordinated Debts and it was therefore felt that the scheme requires to be changed having regard to the settlements already made and quantum of non-convertible debentures and subordinated debts remaining to be settled. Therefore the Company had proposed to withdraw the scheme of arrangement from the Honorable High Court of Karnataka, with an option to present a new scheme of arrangement. The Honorable High Court of Karnataka has permitted the Company to withdraw the petition, with liberty to file a fresh petition, vide its order dated 28th October, 2009. Accordingly, the Company is exploring the possibility of proposing a fresh petition to be filed before the Honorable High Court of Karnataka.



Recovery :

The Company has been making serious efforts to recover from NPA Accounts. The trend of recovery from such accounts is encouraging. The Company has recovered a sum of Rs.9604 thousands from NPA Accounts during the financial year ended 31st March, 2012.

Corporate Governance:

The Company had followed sound Corporate Governance practices right from its inception and have taken efforts to implement the same wherever possible in the present circumstances. A separate section on Corporate Governance along with Certificate of Auditors confirming the compliance is annexed and forms part of the Directors' Report.

Acknowledgement:

I am grateful to all our depositors, customers, bankers, and shareholders for their continued help and support. I am also thankful to my colleagues on the Board and Statutory Auditors for their co-operation and valuable guidance on the day-to-day operations of the company."

After the Chairman's Speech, he moved the business items placed before the shareholders for approval.

7. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.

The Chairman initiated discussion on the subject of approval and adoption of audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the period ending as on that date and the Directors' Report and Auditors' Report annexed thereto. In the absence of any queries from the members present, the Chairman proposed and Mr.G M Shenoy seconded the following to be adopted as an ordinary resolution:

"RESOLVED THAT the Audited Balance sheet as at March 31, 2012 and the Profit & Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon be and are hereby received, approved and adopted."

On being put to vote, the resolution was passed unanimously.

8. Reappointment of Sri Raghavendra Nayak, Director who retires by rotation.

Sri T Sanjay Pai proposed and Sri K R Shriyan seconded that the following resolution be adopted as an ordinary resolution:

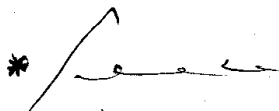
"RESOLVED that Sri Raghavendra Nayak, a Director retiring by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

On being put to vote, the resolution was carried unanimously.

9. Appointment of Statutory Auditors.

Chairman informed the members that M/s. Pai Nayak & Associates, Chartered Accountants, Udupi, appointed as Statutory Auditors of the Company by the Members in the 28th Annual General Meeting held on 29.09.11, retire at the conclusion of this Annual General Meeting.

Certificate from M/s. Pai Nayak & Associates, as prescribed under Section 224 (1) (B) of the Companies Act, 1956 has been received indicating their availability for re-appointment as Statutory Auditors for the ensuing year.

* 

Thereafter, Mr. K Narasimha Kini proposed and Sri E Srinivas Bhat seconded that the following resolution be adopted as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions if any of the Companies Act, 1956, M/s Pai Nayak & Associates, Chartered Accountants, Udupi, the retiring Auditors of the Company be and are hereby re-appointed as 'Statutory Auditors' of the Company to hold the office until conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors in consultation with the Auditors in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit of the Books of Account of the Company."

On being put to vote, the resolution was passed unanimously.

10. Reappointment of Sri T Narayan M Pai, as Managing Director of the Company for a further period of 5 years

Sri T Narayan M Pai, holds the position of Managing Director of the Company since 1st January, 1988. The term of his reappointment as Managing Director approved in the General Meeting held on 01.04.2008 will expire on 31st December, 2012. The Board in its Meeting held on 30.05.2012, reappointed Sri T Narayan M Pai as Managing Director for a further period of 5 years with effect from 01.01.2013 without remuneration as set out in Resolution No.4, subject to obtaining necessary approval from the shareholders in this behalf in the Annual General Meeting. His reappointment as Managing Director for a further period is beneficial in the interest of the Company.

Thereafter, Sri Prabhakar Pai proposed and Sri K Narasimha Kini seconded that the following resolution be adopted as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and in terms of Articles of Association of the Company the reappointment of Sri T Narayan M Pai, as Managing Director of the Company for a further period of 5 years with effect from 01.01.2013 without any remuneration and perquisites be and is hereby approved.

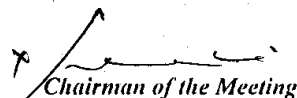
RESOLVED FURTHER THAT Sri T Narayan M Pai, Managing Director shall not be liable to retire by rotation during the period he holds the position as Managing Director."

On being put to vote, the resolution was passed unanimously.

11. Vote of thanks.

There being no other business to transact, the meeting was concluded with a vote of thanks by the Chairman.

Date: 20.08.2012


Chairman of the Meeting