



MUTHOOT CAPITAL SERVICES LIMITED

(CIN: L67120KL1994PLC007726)

Regd. Office: 3rd Floor, Muthoot Towers, M.G. Road, Kochi - 682 035

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Web: www.muthootcap.com, Email: mail@muthootcap.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member,

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 (the “Act”) and other applicable provisions, if any, of the Act, read with the Companies (Management and Administration) Rules, 2014 (the “Rules”) (including any statutory modifications or re-enactments thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to other applicable laws and regulations, that the resolutions appended below are proposed to the Members of the Company to be passed as Ordinary and Special Resolutions respectively by way of Postal Ballot/E-voting. The Company is desirous of seeking your consent for the proposal as contained in the Resolutions given hereinafter. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts and reasons thereof is annexed hereto along with a Postal Ballot Form (the “Form”) for your consideration.

SPECIAL BUSINESS:

1. RELATED PARTY TRANSACTIONS WITH MUTHOOT FINCORP LIMITED

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) read with Companies (Meeting of the Board and its powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts, arrangements and/or agreements with related parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transactions of whatever nature with the following related party during the FY 2018 - 2019, subject to the annual limits as set out below:

Name of the Related Party	Nature of transactions	Transaction limit per annum (Rs. in Lakhs)
Muthoot Fincorp Limited	Commission for procurement of new business and collection of repayment	1500.00

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 and to give such directions as may be necessary or

expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

2. CONTINUATION OF DIRECTORSHIP OF MR. A.P KURIAN, NON-EXECUTIVE INDEPENDENT DIRECTOR WHO HAS ATTAINED THE AGE ABOVE 75 YEARS

To consider, and if thought fit, to pass with or without the modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, the consent of the members be and is hereby accorded to continue the directorship of Mr. A.P. Kurian (DIN: 00008022), as the Non-Executive Independent Director of the Company, who has attained age above 75 years, from the effective date of the said Amendment Regulations i.e., April 01, 2019 till the expiry of his term i.e., September 02, 2019.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such other acts, deeds and things as are necessary and expedient in this regard.”

3. CONTINUATION OF DIRECTORSHIP OF MR. R.K NAIR, NON-EXECUTIVE INDEPENDENT DIRECTOR WHO HAS ATTAINED THE AGE ABOVE 75 YEARS

To consider, and if thought fit, to pass with or without the modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) and other applicable provisions if any, of the Companies Act, 2013 and subject to such other approvals as may be necessary in this regard, the consent of the members be and is hereby accorded to continue the directorship of Mr. R.K Nair (DIN: 00631889), as the Non-Executive Independent Director of the Company, who has attained age above 75 years, from the effective date of the said Amendment Regulations i.e., April 01, 2019 till the expiry of his term i.e., September 02, 2019.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such other acts, deeds and things as are necessary and expedient in this regard.”

Kochi
October 18, 2018

By Order of the Board of Directors
Sd/-
Ravi Oruganti
Company Secretary & Compliance Officer

NOTES

1. The statement pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out the material facts concerning the resolutions and the reason thereof is annexed for your consideration.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on the

close of business hours on Friday, October 26, 2018 (cut-off date). Members who are not members as on the cut-off date shall treat this notice for information purpose only.

3. The Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company or with their Depository Participants (“DP”) unless any member has requested for a physical copy of the same. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form (“Ballot Form”) through permitted mode along with a postage pre-paid self-addressed Business Reply Envelope.
4. The Postal Ballot Notice is uploaded on the website of the Company, i.e., www.muthootcap.com and on the website of CDSL, i.e., www.evotingindia.com.
5. In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility to all its Members as an alternate mode to exercise their right to vote. The Company has entered into an agreement with CDSL for facilitating remote e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
6. Members can opt for only one mode of voting, i.e., either by Ballot Form or remote e-voting. However, in case Members cast their vote by Ballot Form and remote e-voting, then voting done through remote e-voting shall prevail and voting done by Ballot Form will be treated as invalid.
7. In case a Member is desirous of obtaining Ballot Form in printed form, the Member may write to mail@muthootcap.com. The Company will forward the same along with self-addressed pre-paid postage Business Reply Envelope upon receipt of a request from the Member.
8. The Company has appointed CS Nikhil George Pinto, Practicing Company Secretary (C.P No. 16059) as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
9. Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer will submit his report to the Chairman of the Company. The results of the Postal Ballot will be declared by the Chairman or Managing Director on or before 5.00 p.m. on Friday, December 07, 2018 at the Registered Office of the Company at Kochi. The said results along with the Scrutinizer's Report will be posted on the website of the Company, i.e., www.muthootcap.com and will be intimated to the Stock Exchanges where the shares of the Company are listed.
10. The decision of the Scrutinizer on the validity of the Ballot Forms and any other related matter shall be final.
11. The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the said Resolutions will be deemed to have been passed, if approved by the requisite majority as provided under the relevant provisions of the Companies Act, 2013 and the rules made thereunder.
12. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10:00 a.m. to 5:00 p.m. on any working day up to the date of declaration of results of the Postal Ballot.
13. Members are requested to carefully read the instructions printed on the Postal Ballot Form enclosed herewith and return the Ballot form duly completed in the attached postage pre-paid self- addressed Business Reply Envelope (BRE) so as to reach the Scrutinizer at Mr. Nikhil George Pinto., ACS, Partner - CaesarPintoJohn & Associates LLP, Company Secretaries, Scrutinizer, C/o Muthoot Capital

Services Limited, Door No. 39/3525, Flat No. 2, First Floor, Kausthubham, Manikkath Road, Ravipuram, Kochi - 682 016, Kerala not later than 5.00 p.m. on Sunday, December 02, 2018.

14. INSTRUCTIONS FOR E-VOTING:

- a) The remote e-voting period commences at 9.00 a.m. on Saturday, November 03, 2018 and ends at 5.00 p.m. Sunday, December 02, 2018 (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., October 26, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. Sunday, December 02, 2018 and remote e-voting shall not be allowed beyond the said time. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
- b) The shareholders should log on to the e-voting website www.evotingindia.com.
- c) Click on the tab “SHAREHOLDERS”.
- d) Now Enter your User ID:
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 character DP ID followed by 8 digits Client ID,
 - iii. Members holding shares in physical form should enter folio number registered with the Company.
- e) Enter the image verification as displayed and click on “LOGIN”.
- f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- g) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the dividend bank details or date of birth (in dd/mm/yy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the Depository or Company, please enter the member id/folio number in the dividend bank details field as mentioned in instruction (d).

- h) After entering these details appropriately, click on “SUBMIT” tab.
- i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.

- j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN <MUTHOOT CAPITAL SERVICES LIMITED> on which you choose to vote.
- l) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option “YES” or “NO” as desired. The option “YES” implies that you assent to the Resolution and option “NO” implies that you dissent to the Resolution.
- m) Click on the “RESOLUTION FILE LINK” if you wish to view the Resolution details.
- n) After selecting the Resolution, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the Voting page.
- q) If demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on “FORGOT PASSWORD” and enter the details as prompted by the system.
- r) **Note for Non - Individual Shareholders and Custodians**
 - i. Non - Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii. After receiving the login details a “Compliance User” should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The official designated to address the grievances in this regard will be Mr. Rakesh Dalvi, Manager and can be contacted at helpdesk.evoting@cdslindia.com or at 18002005533.

By Order of the Board of Directors

Sd/-

Ravi Oruganti

Company Secretary & Compliance Officer

Kochi

October 18, 2018

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 1:

The Shareholders vide resolution dated September 03, 2014 had approved the related party transactions with Muthoot Fincorp Limited for a period of 5 years with effect from April 01, 2014, subject to the details given below:

Name of the Related Party	Nature of transactions	Transaction limit per annum (₹ in Lakhs)
Muthoot Fincorp Limited	Commission for procurement of new business and collection of repayment.	1000.00

Further, the Company had obtained the approval of the shareholders of the Company at their meeting held on June 14, 2018, to enhance the transaction limit to ₹ 2000.00 lakhs per annum for a period of 5 years with effect from April 01, 2019.

Considering the vast increase in business operations in the current financial year, the Company anticipates higher volume of business through the branch network of MFL during the last quarter of FY 2018 - 2019 which may exceed the existing approved limit, and this would require further approval of the shareholders. Hence, the Company proposes to enhance the approval limit upto 1500.00 lakhs per annum for the FY 2018 - 2019 being the current approval is for ₹ 1000.00 lakhs.

The transaction is in the ordinary course of business and is not material but the Company, as a matter of abundant caution and prudent corporate practice, proposes to obtain approval of shareholders by way of ordinary resolution. The transactions have been approved by the Audit Committee and also by the Board of Directors on July 17, 2018, subject to the approval of Members by way of an ordinary resolution. The prescribed price/charges payable under the contracts shall be competitive, shall be based on the prevailing market price, shall not be prejudicial to the interest of either parties and shall be at arm's length, on the basis of comparable uncontrolled price other than with associate enterprise.

Copy of the documents relating to the previous transactions would be available for inspection without any fee by the Members at the Registered Office of the Company during the normal business hours on any working day.

The details of the proposed related party transaction(s) are furnished below:

Name of Related Party	Muthoot Fincorp Limited
Name of the Director/KMP who is related, if any	Thomas John Muthoot, Chairman (DIN: 00011618) Thomas George Muthoot, Managing Director (DIN: 00011552) Thomas Muthoot, Director (DIN: 00082099) A P Kurian, Director (DIN: 00008022) R K Nair, Director (DIN: 00631889)
Nature of relationship	Interested as Director/Shareholder

Nature, Material terms, monetary value and particulars of the contract or arrangement:	Nature of Transaction	Transaction limit per annum (Rs. in Lakhs)
	Commission for procurement of new business and collection of repayment	1500.00
Tenure of contract	1 year with effect from April 01, 2018 to March 31, 2019	
Any other information relevant or important for the members to take a decision on the proposed resolution	All factors relevant to the contract have been considered and it is confirmed that the transactions are in the ordinary course of business and at arm's length.	

The Board recommends the Ordinary Resolution as set out in Item No.1 of the notice for the approval of the Members who are not related party(s). Directors, Key Managerial Personnel of the Company or their relatives as mentioned as related parties above, may be deemed to be interested or concerned in the resolution.

Item No 2 & 3:

Pursuant to the recommendations made in the Uday Kotak Committee Report, Securities and Exchange Board of India (SEBI) notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) on May 9, 2018. The Regulation 17 (1A) of the Amendment Regulations, inter-alia, prescribes that listed entity shall not appoint a person or continue directorship of any person(s) as a Non-Executive Director(s) who has attained the age of 75 years, unless a special resolution is passed to that effect.

Mr. A.P Kurian and Mr. R.K Nair, were appointed as the Non-Executive Independent Directors of the Company in accordance with the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, at the 20th Annual General Meeting held on September 03, 2014 for a period of five years upto September 02, 2019.

Since Mr. A.P Kurian and Mr. R.K Nair has attained the age of 75 years and their term is valid till September 02, 2019, the Board of Directors at its meeting held on October 18, 2018, decided to seek the approval of the shareholders by way of special resolution.

The brief Profile of both the directors including the information required to be furnished under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards 2 on General Meetings are given below:

1. Mr. A.P Kurian

Mr. A.P Kurian has more than 56 years of rich and varied experience in securities, banking and non-banking financial sectors and has been involved in the supervision and management of the Company since 1994. In a career spanning over 50 years, Mr. A.P. Kurian has been recognized for his superior managerial skills. He has received Best Marketing Man of the year award in 1987 and Best Professional Manager award in 1993.

He has also held prominent positions with Reserve Bank of India as Research Officer in the Economics Department and Credit planning Department and held the position of Executive Trustee at Unit Trust of India and retired as Executive Chairman from Association of Mutual Funds in India.

Mr. A.P Kurian play a key role in guiding and assisting in formulating policies and strategies. In the opinion of the Board, Mr. A.P Kurian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for continuing his directorship as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Name	A.P Kurian		
Director Identification Number (DIN)	00008022		
Date of Birth	June 20, 1933 (85 years)		
Nationality	India		
Date of appointment on the Board	April 06, 1994		
Relationship with other Directors	Not related to any Director		
Qualification	M.A. (Economics & Statistics)		
Expertise in specific functional areas	He has more than 56 years of rich and varied experience in securities, banking and non-banking financial sectors.		
Number of shares held	Nil		
List of Directorships held in other Public Limited Companies	<ol style="list-style-type: none"> 1. Geojit Financial Services Limited 2. Granules India Limited 3. Muthoot Fincorp Limited 		
Chairmanships / Memberships of Committees of other Public Limited Companies (Includes Audit Committee of the Board, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee)	Name of the Public Limited Company	Name of the Committee	Chairman / Member
	Muthoot Fincorp Limited	Audit Committee	Member
	Geojit Financial Services Limited	Audit Committee	Member
	Granules India Limited	Audit Committee	Member
Number of Board meetings attended during FY 2017 - 2018	Held	8	
	Attended	8	

2. Mr. R.K Nair

Mr. R.K Nair is a Fellow member of the Institute of Chartered Accountants of India (ICAI) and a law graduate. A genius from his early days, Mr. R.K Nair's intelligence has come a long way. For over 40 years, he has been dedicated to the financial services field.

He started his esteemed career as a Professor of Accountancy in Mumbai University and then moved on to serve 11 years as Group A' Officer in Government. He is practicing as an Advocate for more than 15 years and now, is an Advocate of the Hon. Supreme Court of India.

In the opinion of the Board, Mr. R.K Nair fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for continuing his directorship as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Name	R.K Nair		
Director Identification Number (DIN)	00631889		
Date of Birth	January 18, 1939 (79 years)		
Nationality	India		
Date of appointment on the Board	April 08, 2008		
Relationship with other Directors	Not related to any Director		
Qualification	M.Com, FCA, LLM		
Expertise in specific functional areas	He has more than 40 years of rich and varied experience in financial field.		
Number of shares held	Nil		
List of Directorships held in other Public Limited Companies	1. Muthoot Housing Finance Company Limited 2. Muthoot Fincorp Limited		
Chairmanships / Memberships of Committees of other Public Limited Companies (Includes Audit Committee of the Board, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee)	Name of the Public Limited Company	Name of the Committee	Chairman / Member
	Muthoot Fincorp Limited	Audit Committee	Chairman
	Muthoot Housing Finance Company Limited	Audit Committee	Chairman
Number of Board meetings attended during FY 2017 - 2018	Held	8	
	Attended	7	

Keeping in view the experience of and contributions made by Mr. A.P Kurian and Mr. R.K Nair, the Board recommends the Special Resolutions set out in Item Nos. 2 and 3 for the approval of the shareholders of the Company.

None of the Directors and Key Managerial Persons of the Company except Mr. A.P Kurian and Mr. R.K Nair and their relatives is concerned or interested, financially or otherwise, in the resolutions set out in Item Nos. 2 and 3 of the Notice.

By Order of the Board of Directors

Sd/-

Ravi Oruganti

Company Secretary & Compliance Officer

Kochi

October 18, 2018

